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LEGISLATIVE HISTORY

Public Law 459--81st Congress

Chapter 61--2d Session

H. R. 2023

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OLEOMARGARINE. Section 2301 of the Internal Revenue Code relating to the tax on oleomargarine is repealed. Requires that oleomargarine if colored be sold in packages of 1 pound or less with specified labeling; requires the labeling of individual servings of oleomargarine served in restaurants; makes butter and oleomargarine and the materials used in their manufacture subject to the same type of regulation under the Federal Food, Drug, and Cosmetic Act; provides for the regulation of advertising of oleomargarine under the Federal Trade Commission Act; and provides that nothing in the act shall be construed as authorizing the sale of colored oleomargarine in any State or Territory in contravention of the laws of such State or Territory.

INDEX AND SUMMARY OF HISTORY ON H. R. 2023

January 31, 1949 H. R. 2023 was introduced by Rep. Cranger and was referred to the House Committee on Agriculture. Print of the bill as introduced.

Remarks of Rep. Cranger.

March 1, 1949 Hearings: House, H. R. 2023.

March 21, 1949 House Committee reported H. R. 2023 with amendments. House Report 277. Print of the bill as reported.

March 23, 1949 House Rules Committee reported H. Res. 168 for the consideration of H. R. 2023. House Report 325. Print of the resolution.

March 31, 1949 House began debate on H. R. 2023. The vote was 323 - 9 on the resolution providing for consideration of the bill.

April 1, 1949 House concluded debate and passed, 287-89, with amendments H. R. 2023 which repeals these taxes, sets out the definition of yellow oleomargarine, calls for signs in public eating places where oleomargarine is served, provides for interstate movement of colored oleomargarine, and provides that all colored oleomargarine sold in public eating places be of a three-sided shape so as to readily distinguish it from butter (pp. 3709-33). Agreed, 242-137, to the Poage substitute (p. 3732); the bill as reported would have repealed these taxes but prohibited shipment of yellow oleomargarine in interstate commerce.

April 2, 1949 Print of H. R. 2023 as referred to the Senate Committee on Finance.

April 4, 1949 Print of an amendment (in the nature of a substitute) proposed by Senator Wiley and others.

April 8, 1949 Hearings: Senate, H. R. 2023.

April 11, 1949 Print of an amendment proposed by Senator Johnson.

April 18, 1949 Prints of amendments proposed by Senator Johnson.

April 27, 1949 Print of an amendment proposed by Senator Mundt.

April 28, 1949 Senate Committee reported H. R. 2023 with amendments. Senate Report 309. Print of the bill as reported.

May 2, 1949 Print of an amendment proposed by Senator Frear.

May 3, 1949 Print of an amendment proposed by Senator Wiley.

May 6, 1949 H. R. 2023 was passed over in the Senate.

July 26, 1949 H. R. 2023 was passed over in the Senate.

September 27, 1949 H. R. 2023 was passed over in the Senate.

October 17, 1949	H. R. 2023 was passed over in the Senate.
January 4, 1950	Senate began debate on H. R. 2023. The Wiley substitute amendment being the pending business. Print of the Wiley amendment.
January 5, 1950	Senate debate continued. Sen. Gillette inserted a table showing a comparison of the provisions of H. R. 2023 and those of the substitute amendment proposed by Sen Wiley.
January 6, 1950	Senate debate continued. Discussion of McCarthy amendment defining the terms "oleomargarine" and "misleading advertising" (pp. 128-31).
	Prints of amendments proposed by Senators McCarthy and Langer.
January 9, 1950	Senate debate continued. Print of an amendment proposed by Senator Butler.
January 10, 1950	Senate debate continued. Print of modified Wiley amendment.
January 11, 1950	Senate debate continued. Extension of remarks of Sen. Fulbright and National Cotton Council.
	Prints of amendments proposed by Senator Langer.
January 12, 1950	Senate debate continued. Print of modified Wiley amendment .
January 13, 1950	Senate debate continued. Prints of amendments proposed by Senators McCarran and Cordon.
January 17, 1950	Senate debate continued. Print of an amendment proposed by Senator Butler.
January 18, 1950	Senate debate concluded and passed H. R. 2023 with amendments by a vote of 56-16.
	Senate conferees appointed.
	Print of the bill with the amendments of the Senate numbered.
January 31, 1950	House objected to Senate request for a conference.
February 1, 1950	House Rules Committee reported H. Res. 457 for the consideration of H. R. 2023. House Report 1572.
February 2, 1950	House discussed and agreed to H. Res. 457. House conferees appointed.
March 4, 1950	House received the conference report. House Report 1731.
March 7, 1950	House agreed to the conference report. Vote of 262-106.
March 8, 1950	Senate agreed to the conference report. Vote of 59-20.
March 16, 1950	Approved. Public Law 459.

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 1949

Mr. GRANGER introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

DECLARATION OF POLICY

SECTION 1. Yellow oleomargarine resembles butter so closely that it lends itself readily to substitution for or confusion with butter and in many cases cannot be distinguished from butter by the ordinary consumer. The manufacture, sale, or serving of yellow oleomargarine creates a condition conducive to substitution, confusion, fraud, and deception, and one which if permitted to exist tends to interfere with the orderly and fair marketing of essential foods in commerce.

1 Such transactions in yellow oleomargarine, whether intra-
2 state or interstate in character, burden, obstruct, and affect
3 commerce, interfere with the production of goods for com-
4 merce and the free flow of goods in commerce, and constitute
5 an unfair method of competition in commerce.

6 It is hereby declared to be the policy of Congress to
7 correct and eliminate the conditions above referred to; to
8 promote the orderly and fair marketing of essential foods
9 in commerce; to prevent confusion, fraud, and deception in
10 commerce; and to prohibit practices which burden, obstruct,
11 or affect commerce, the free flow of goods in commerce, or
12 the production of goods for commerce.

13 DEFINITIONS

14 SEC. 2. (a) The term "oleomargarine" as used in this
15 Act includes—

16 (1) all substances, mixtures, and compounds known
17 as oleomargarine, margarine, oleo, or butterine;

18 (2) all substances, mixtures, and compounds which
19 have a consistency similar to that of butter and which
20 contain any edible oils or fats other than milk fat if

21 (A) made in imitation or semblance of butter, or pur-
22 porting to be butter or a butter substitute, or (B) com-
23 monly used, or intended for common use, in place of or
24 as a substitute for butter, or (C) churned, emulsified,
25 or mixed in cream, milk, skim milk, buttermilk, water,

1 or other liquid and containing moisture in excess of 1
2 per centum and commonly used, or suitable for common
3 use, as a substitute for butter.

4 (b) For the purposes of this Act "yellow oleo-
5 margarine" is oleomargarine, as defined in subsection (a)
6 of this section, having a tint or shade containing more than
7 one and six-tenths degrees of yellow, or of yellow and red
8 collectively, measured in terms of the Lovibond tintometer
9 scale read under conditions substantially similar to those
10 established by the Bureau of Internal Revenue, or the
11 equivalent of such measurement.

12 (c) The term "commerce" as used in this Act means
13 trade, traffic, commerce, transportation, or communication
14 among the several States, or between the District of Colum-
15 bia or any Territory of the United States and any State or
16 other Territory, or between any foreign country and any
17 State, Territory, or the District of Columbia, or within the
18 District of Columbia or any Territory, or between points in
19 the same State but through any other State or any Territory
20 or the District of Columbia or any foreign country, and in-
21 cludes the possession, transportation, serving, or sale
22 (whether or not the first sale) of articles within a State
23 after shipment in interstate or foreign commerce: *Provided,*
24 *however,* That oleomargarine and yellow oleomargarine
25 within the borders of a State or Territory shall be subject to

1 the laws and regulations of such State or Territory to the
2 extent that such laws and regulations are not inconsistent
3 with Federal laws regardless of whether such products may
4 or may not be or have been in commerce as herein defined.

5 PROHIBITED ACTS

6 SEC. 3. The manufacture, transportation, handling, pos-
7 session, sale, use, or serving of yellow oleomargarine in
8 commerce, or after shipment in commerce, or in connection
9 with the production of goods for commerce, or which affects,
10 obstructs, or burdens commerce or the free flow of goods in
11 commerce, is hereby declared unlawful: *Provided*, That
12 nothing herein contained shall be construed to prohibit the
13 use of yellow oleomargarine in private homes.

14 ENFORCEMENT

15 SEC. 4. The Administrator of the Federal Security
16 Agency is authorized and directed to administer and enforce
17 this Act and to prescribe and enforce rules and regulations
18 to carry out its purposes and policies. The enforcement pro-
19 visions of the Federal Food, Drug, and Cosmetic Act, includ-
20 ing the provisions relating to injunctions and seizure, shall
21 be available for the enforcement of this Act.

22 PENALTIES

23 SEC. 5. Any person, firm, or corporation violating any
24 of the provisions of this Act, or of the rules and regulations
25 issued in connection therewith, and any officer, agent, or

1 employee thereof who directs or knowingly permits such
2 violations, or who aids or assists therein, shall upon con-
3 viction thereof be subject to punishment in the same manner
4 and to the same extent as persons who violate the Federal
5 Food, Drug, and Cosmetic Act.

6 APPROPRIATIONS

7 SEC. 6. There is hereby authorized to be appropriated
8 annually, out of any money in the Treasury not otherwise
9 appropriated, such sums as may be necessary for the ade-
10 quate enforcement of this Act.

11 REPEAL

12 SEC. 7. The following sections of the Internal Revenue
13 Code (relating to taxes on colored and uncolored oleomar-
14 garine, to special occupational taxes on manufacturers,
15 wholesalers, and retailers of oleomargarine, and to packaging,
16 reporting, and other regulations of oleomargarine) are
17 hereby repealed: Sections 2300, 2301, 2302, 2303, 2304,
18 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200,
19 3201 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304,
20 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200,
21 3201).

A BILL

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

By Mr. GRANGER

JANUARY 31, 1949

Referred to the Committee on Agriculture

largest army, navy, and air force, while dividing our aeronautical effort between strategic and tactical planes, both in maximum numbers. Since our resources are not infinite, we could not hope for absolute superiority in any one of these forces. And, according to Government figures, we would be putting 10 dollars into surface elements for every dollar put into the skies. We don't need a calculating machine to realize that we are here dealing with strategy which, if it is to have the magnitude for victory over the world's No. 1 land power, would bankrupt a nation 10 times as rich as the United States.

A recent press summary of the views of our high command stated that "the United States can develop overwhelming superiority in the air and at sea, but will find it hard to compete with Russia's land power." The allusion to sea superiority is frivolous. Soviet Russia, a self-contained and blockade-proof continent, has no navy, needs no navy, fears no navy. But if a contest on land is dangerous, if superiority in the air can be made overwhelming, why do we earmark a third of America's manpower and resources to face an admittedly superior land force and the near certainty of defeat? Why allocate another third to futile and irrelevant sea power? Why not convert the whole potential to the force recognized as our realm of supremacy—the Air Force?

Let us have the intellectual clarity and daring to break with the past. For a small fraction of the cost of conquering, maintaining, and supplying bases for short-range aviation, we can buy long-range aviation that nullifies the need for those bases and the huge surface forces that go with them.

The Air Force stated recently that "the possession of the B-36 will make it possible for us to operate against a possible aggressor anywhere in the world" from bases on the North American continent. Why, then, is the bulk of our money being put into 20 groups of medium bombers, while only 5 groups of the B-36 type are projected?

The answer is that our defense policy is shaped by men reared on surface concepts. Critics warn that the huge, unwieldy B-36 will be shot down. Of course some will. The medium-range bombers we plan to send from overseas bases will also be shot down. War without combat is a pipe dream.

We face today a crucial choice. Either we continue to divide our national potential three ways for land-sea-air operations tied to distant bases or we channel our strategy boldly into the skies for direct operations, with command of the whole air ocean as the objective.

That is the only strategy that will serve as a real deterrent to aggressors. It is the natural product of our way of life. No one will be able to challenge that kind of force. In order to create it—and more important, to exercise it properly—the challenger would have to possess talents equivalent to ours, and to acquire those talents he would have to adopt our way of life. But if he adopts our way of life, there will be no need for war.

The change called for is a bold reversal of prevailing concepts. Nothing less than an aroused public opinion can accomplish this. The pressure of the American people on their representatives in Congress can force revision of obsolete strategic plans.

The decision must be made quickly. Only the Nation as a whole can make it. Our people must choose between outmoded methods and an historic opportunity to win peace through air power.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and

extend his remarks and include an editorial.)

INFORMATION, PLEASE?

Mr. HOFFMAN of Michigan. Mr. Speaker, without having consulted any Member of the Senate or the House Committee on Foreign Affairs, and disregarding the truth of the statement that "fools rush in where angels fear to tread," because it is my desire to maintain friendly relations and a good-neighbor policy with the citizens of our sister Republic to the south, will endeavor once for all to settle a question as to my gender. Thus, with considerable fear, I will endeavor to follow this suggestion as to the giving of advice to Mr. Dewey which I am sure will not involve us in any international entanglements, but which, if accepted, might aid in giving the American people an overdue opportunity to express their will on foreign and domestic policy.

From an individual who may be man or woman, spinster or bachelor, widow or widower, who gives the address of Medellín 184, P. B., Colonia Roma, Mexico City, Mexico, signed Lee Gandee, comes the following letter:

DEAR MRS. HOFFMAN: I noticed in the papers that you have been reelected and mentioned it to a friend of mine from Detroit. She said she knew that you had been reelected, but this chance remark led to a discussion that has grown into something of a dispute which you can settle perhaps better than anyone else.

My friend maintains that you are a spinster, and that you have been in Congress several years. She likes to speak of you as an example of the success that a liberated American woman can enjoy in a political career, by devoting her life to public affairs unencumbered by a husband and children. The Mexicans, who believe that woman's place is the home, find her opinions quite shocking. I maintain that you have had no such career, for I am quite certain that I remember a Mr. HOFFMAN having been in the House of Representatives not many years ago, and I think I read some time later that following his death, you as his widow, were selected to complete his term, as has been the case with other women in Congress. I have given this explanation to our mutual friends, who feel that there is a certain propriety in this situation which places you in a more favorable light than my friend's contention. It is a high compliment to your ability that the electorate of your district has returned you to office in your own right. Please accept my congratulations.

It is to be deplored that Mr. Dewey, due to his poor technique of campaigning failed to enjoy the success that you have attained. It must be a bitter experience for him to be repudiated, when a mere woman, faced with the inherent obstacles attending female participation in public life, has been returned to office by her constituents. You ought to give him a little motherly advice.

I shall appreciate having you settle our contention by telling us your exact status, whether spinster or widow.

Yours very truly,

As so often happens, I cannot settle this argument with the simple statement that either party is right. As a matter of fact, both are in error. I am not, as Lee Gandee insists, a widow and, on the other hand, I cannot accurately be described as a spinster. I do not chew tobacco, smoke, or make a practice of drinking hard liquor, but those facts are

no longer decisive on the question of sex.

Searching back into history, yes, even before man or woman began to write or print on paper a record of their doings, there is evidence that our ancestors, both men and women, had and exercised equal rights in the pursuit of many activities.

But judged by all the accepted standards of the modern day, as well as by those which prevailed in the horse-and-buggy days, it has been established that I at least belong to the male sex, though my good wife sometimes insists that I have never grown up, am still in some respects a child, that I have never attained the dignity which a Congressman, to say nothing of a Senator, should have. That is not due to the fact that time has not given me an opportunity to become either inactive or dignified. Sometimes pompousness is mistaken for dignity. As long as I am able to enjoy some of the pleasures of youth such as hunting and fishing and to act like a boy when such a trip appears possible, I will probably embarrass some of my friends by my lack of dignity and sedateness. In fact, figuratively speaking, I hope to be able to walk to my own funeral.

After giving the matter the usual consideration given by a Congressman or a Senator to a constituent's inquiries or requests, I wrote my Mexican correspondent that I was neither a spinster nor a widow; that I was twice a father, five times a grandfather and still the husband of a long-suffering wife gifted with an unusually kind and tolerant disposition.

Thinking that my Mexican correspondent might be disappointed to learn that I am not a woman, attention was called to the fact that today we have in the House a number of women on both sides of the aisle who are not only a credit to their constituents, but who chart a course in decorum, legislative procedure and domestic and foreign policy which might well serve as a guide for their less accomplished colleagues.

Attention was also called to the fact that a former Member of the House from Maine—and I trust this observation is not a transgression of the rules of the House—now sits in another body—the Senate—where it is certain other Members of that august body will have an opportunity to profit by watching her in action. Already in the Senate, as formerly in the House, she has outlined a sound domestic policy which the country may follow with profit.

But to get back to that part of the letter which refers to Mr. Dewey, my correspondent writes:

It is to be deplored that Mr. Dewey, due to his poor technique of campaigning failed to enjoy the success that you have attained—reelection. It must be a bitter experience for him to be repudiated, when a mere woman faced with the inherent obstacles attending female participation in public life, has been returned to office by her constituents. You ought to give him a little motherly advice.

Let me again quote that last sentence: "You ought to give him a little motherly advice."

Mr. Dewey has a wonderful mother, a typical American mother. Undoubtedly she has given him much good advice. Beyond question, she is, as she has a right to be, extremely proud of her son who made an unexcelled record as a prosecutor in New York. Tom Dewey is known throughout the Nation as one who did a most remarkable job in exposing the activities of and convicting gangster criminals. Tom Dewey has a magnificent record as an administrator of the great State of New York. He has given that State a businesslike administration and has earned the approval, as a governor, of the overwhelming majority of the citizens of that great State. No one has ever questioned his sincerity, his executive ability, and undoubtedly there lies before him brilliant success in his chosen field of the law and politics.

He has never asked and undoubtedly never will ask for my advice, for he has always had experts to advise him. However, believing in the good-neighbor policy, I am willing to do the best I can, and on the suggestion of my Mexican correspondent, offer gratuitously to the Honorable Thomas E. Dewey a few random thoughts. I might, if it was to be motherly advice, advise him as mother advised me, by using the old, old words: "If at first you don't succeed, try, try again."

But, speaking as a Republican, I might quote to Mr. Dewey these words:

Like warmed-up cabbage served at each repast, the repetition kills the wretch at last.

I might use the old saying of the Danes:

The goose goes so often to the kitchen that at last she is fastened to the spit.

Thomas Fuller once said:

The pitcher that goes often to the well, comes home broken at last.

Bovee wrote:

A sound discretion is not so much indicated by never making a mistake as by never repeating it.

Then here is one more from the Universal Songster:

Hope tells a flattering tale,
Delusive, vain, and hollow.

Ah! let not hope prevail,
Lest disappointment follow.

Or, disregarding the words of others, think it permissible to suggest to Mr. Dewey that he and his associates, yes, and I might include certain other individuals who are presumed to have been the Republican leaders during the last few years, that having gone to bat twice and whiffed on two occasions, the last time with three men on base and two out, Tom and some others might sit on the bench through at least one game and let someone else come up as a pinch hitter.

Of course, we have been told so many times that we almost believe it, that Senator TAFT just cannot get the votes. We learned to our sorrow that a group of Dewey's supporters and promoters gave Senator BRICKER, who looks, talks, thinks, and acts like a real American President, a basswood bat at a gridiron dinner, and so sent him back to the bench.

Mr. BROWN of Ohio. The gentleman, in his statement relative to the soundness of officials in Ohio, is eminently correct. Anyone from Ohio always takes a sound position on governmental matters, especially the gentleman from the other body who was a candidate for President.

Mr. HOFFMAN of Michigan. I was speaking of Governor BRICKER. I regret very much that he was not the nominee of the Republican Party.

Mr. BROWN of Ohio. And so do I regret that of Ohio's candidate, Senator TAFT. I might also add, in answer to the gentleman's inquiry about Omaha, that if the gentleman's representatives on the committee from his own State of Michigan had followed the advice, counsel, and leadership of members of the national committee from the State of Ohio he would not be quite as embarrassed as I am sure he is at this moment.

Mr. HOFFMAN of Michigan. You are right again. They did it, but they will hear from some of us in Michigan. Do not think they will not. They can ride on the rear end of an old broken-down wagon, but I will not.

Mr. Dewey would make a great Senator from the great State of New York, and, as such, he could very effectively voice the desires of his New York City constituents that we go along with the Acheson foreign policy as announced by the President in his inaugural address, and increase our efforts to feed, clothe, and house the unfortunate peoples of the world. But as a candidate for the Presidency, Mr. Dewey has twice gone to bat. Perhaps the pitcher in the first contest was a Bob Feller or a Dizzy Dean and hence the young man's strike-out was excusable. But on this last occasion, a soft, easy ball was tossed up to him and he just did not take his bat off his shoulder or start to swing until the catcher had it in his mitt.

No, in all fairness, Mr. Dewey, his "metoo" and international supporters, should get out of the batter's box, cease trying to carry the ball, and if they cannot run interference or do some minor job on the team, go back and sit down on the bench.

It is long past time when the American people should have an opportunity to vote upon the very simple issue as to whether the interests of this country are to be given first consideration or whether the ideas, the policies, and the practices used in other lands where they have been demonstrated to be failures, should be continued here without the people being given an opportunity at a national election to say whether they approve or disapprove. The rank and file of Republicans are tired of taking a New Deal remedy even though the bottle out of which it comes is labeled "Republican."

From the Niles Daily Star of Niles, Mich., comes an editorial of John R. Schamehorn, under date of January 25, which reads as follows:

TIME TO STEP DOWN

There are continuing signs that Thomas E. Dewey is still attempting to head up the Republican Party. If he continues in those efforts it will inevitably result in disaster for both himself and the party.

Dewey and his advisers were solely responsible for shaping policies during the last campaign and it resulted in failure, as it did 4 years ago. The whole thing seemed to be so much in the bag that he declined to put on a hard-hitting campaign.

His speeches were so indecisive, in fact, that he was continually criticized for not expressing his opinion on various issues of the campaign.

As a twice rejected candidate, Dewey should step aside as far as national politics is concerned and not pretend any longer to head the party. He had that chance a few days ago but failed to take advantage of it. Instead, he left the impression that he might be available again in 1952.

Mr. Dewey should know from past history that voters will not support him in a third attempt for the White House. Under the circumstances, he should make a prompt disclaimer of any further aspirations in that direction so that party leaders will not be hampered by the efforts of any of his faithful supporters in a die-hard struggle that could only result in further damage to the party.

That is typical of practically every editorial comment in southwestern Michigan.

The SPEAKER. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Utah [Mr. GRANGER] is recognized for 15 minutes.

OLEOMARGARINE AND THE DAIRY INDUSTRY

Mr. GRANGER. Mr. Speaker, the new dairy policy toward oleo is in harmony with the Democratic platform. The Democratic platform favored the removal of taxes on oleomargarine, but said nothing about allowing the unrestricted sale of the yellow product. The President has said that he wants the taxes removed. Leading dairy and farm organizations favor the same action.

However, the time is absolutely inopportune for placing a greater burden on dairy farmers. Numerous bills have been introduced to permit unrestricted sale of oleomargarine colored yellow in imitation of butter. Yet there is growing economic distress among the people who milk cows in the great dairy States. Why anybody would want to do anything to make their burden heavier, I am unable to understand.

I am speaking about the people in every congressional district in the country who build the county roads and maintain schools. Hay is now as high as \$45 a ton and cottonseed cake fed to dairy cattle costs from \$80 to \$100 a ton, yet the oleo interests would make it still more difficult for these people to survive.

In the Western States it has been snowing intermittently since the first of January. Hundreds of thousands of cattle and sheep are marooned, and losses will be tremendous. This is one of the most devastating and unprecedented blows at our livestock economy within the memory of man. We cannot afford further to imperil our supplies of meat, as well as our source of milk and other

vital food products, by striking at the dairy industry.

Members of this House who are also members of the Committee on Agriculture are well aware of the difficulties which face the southern cotton grower. It is necessary, we are told, to preserve the economy of the Cotton South. But, Mr. Speaker, it is even more necessary to preserve the family-sized farms of this country that depend upon dairying for their continued existence. To the more than 2,500,000 dairy farmers of this country, the dairy industry represents a regular source of cash income throughout the year, a decent standard of living for their families, education for their children, and increasing productivity for their land.

These things are important to the farmers of the South as well as to the northern farmers—perhaps even more important. Dairy farming has made splendid progress in the South, to the enrichment of whole areas of land that had begun to lose its fertility under single-crop cultivation. The hard facts are that we cannot afford to sacrifice either southern gains or northern accomplishments in the development of a diversified agriculture merely to meet the selfish demands of a handful of oleomargarine manufacturers.

Oleomargarine is a substitute for butter, and therefore competes with butter in the market place. Ordinarily, substitutes do not differ greatly from the original in price, but through the years oleomargarine has maintained a price level approximately half that of butter, on the average. The price of butter has not been dragged down to the level of the substitute, because oleomargarine, colored or uncolored, has not been as acceptable to consumers as real butter. Moreover, colored oleomargarine—being less distinguishable from butter than the uncolored form—has been carefully regulated under Federal tax legislation. Finally, the dairy farmer has not been able to afford to produce butter at the price of oleomargarine.

Now it is proposed to repeal the restrictions on yellow oleomargarine, which will then be able to compete more closely with butter. Oleomargarine manufacturers may take advantage of this opportunity to increase their prices and profits, thus destroying the price differential. Or they may hold their prices unchanged and increase their profits through increased sales volumes, at the expense of butter. In any case, it cannot be denied that an improved competitive position for oleomargarine would result in reduced sales of butter.

INCREASED OLEO SALES HURT BUTTER SALES

In the past an increase in the sales of oleomargarine has usually been accompanied by a somewhat larger decrease in the sales of butter. In the 35 years from 1912 to 1947, there were 22 years when oleo consumption went up, and in 16 of those years, butter consumption decreased. On an average, over those 22 years the increase in oleo consumption per capita was approximately one-third of a pound, while the accompanying change in butter consumption

was a per capita decrease of almost one-half a pound.

During 11 of the 13 years in which oleo sales showed a decrease, butter sales increased. The average oleo decreases were about one-third of a pound per capita, accompanied by an average increase in butter sales of slightly more than that amount.

It is clear that when oleo is sold as a substitute for butter, either fraudulently or because consumers made a conscious choice, the immediate effect on the dairy farmer is the same as though the supply of butter had increased. Naturally this lowers the price at which his butter can be sold. On the average, a 1-percent increase in the quantity of butter available tends to result in a 1-percent decrease in the selling price of butter. In other words, the loss of 1 percent of butter sales to competitive oleomargarine results in a 1-percent drop in the price of butter.

The experience of other countries shows that unrestricted competition in yellow oleomargarine demolishes the market for butter. In this country, under similar conditions, oleomargarine might very well take over from two-thirds to three-fourths of the total sales of spread fats, according to competent economists. The total annual consumption of oleomargarine in the United States would then be 1,500,000,000 pounds, as against 870,000,000 pounds in 1948. On a pound-for-pound displacement, the butter market would shrink to 900,000,000 pounds as against 1,500,000,000 pounds in 1948.

IMMEDIATE RESULTS OF INCREASED OLEO SALES

The first result of a possible 600,000,000-pound expansion in oleo sales would be a 20 to 40 percent drop in butter prices. In this connection, a 10-percent increase in butter production in the fall of 1948, over the corresponding months of 1947, was accompanied by an equal reduction in oleo sales on a 25-percent fall in butter prices.

Price reduction of 20 to 40 percent probably would protect butter against loss of sales, but dairymen could not stand any such decline in butter prices for long. Thus, as a second effect of increasing oleo sales, there would be a drastic decline in butter production, as dairymen in large numbers left the dairy business or sought other markets than butter. This decline in production would lead to some recovery of butter prices, but a decline of 5 to 10 percent over the long-run probably would liquidate milk production to the equivalent of 600,000,000 pounds of butter.

DAIRY FARMING WOULD VANISH IN SOME AREAS

These effects accounted for part of the 600,000,000-pound butter decline in production from 1941 to 1948. The declines would have been more drastic, and wider spread, if the artificially stimulated export trade in dairy products of 1941 to 1948 had not absorbed the annual output of approximately one million cows. Allowance also should be made for the increase in demand resulting from population growth.

It is reasonable to expect that the further displacement of 600,000,000

pounds of butter by oleo would lead to the displacement of another 2,000,000 cows. But 2,000,000 cows in butter areas produce only 360,000,000 pounds of butterfat annually, and a 600,000,000-pound loss of butter markets would mean 480,000,000 pounds of butterfat. Where would the other 120,000,000 pounds of butterfat go?

THE STRUGGLE FOR MARKETS WOULD ENDANGER DAIRY PRICES IN ALL CORNERS OF THE UNITED STATES

Some dairy farmers, rather than accept extinction, would struggle to dispose of their milk in the form of products whose prices already teeter precariously between too low for producers and too high for the market demand. Increased cheese, evaporated milk, ice cream, and fluid cream—even increased fluid milk—would overburden those markets and tear down the level of returns to every producer in the land.

Even the South would reel from the blow. There a thriving dairy industry has supported the most vigorously growing farm enterprise for more than two decades, yet the wrecking of price levels at the South's ice-cream plants, condenseries, and cheese factories would cripple dairying in that region. Factory dairy products other than butter now utilize 33 percent of the milk sold by farmers in the South Atlantic States and 45 percent in the South Central States. These markets in South, North, East, and West would react to the pressure of dairy farmers deprived of their butter market. The lowered level of all dairy prices then would force some dairy farmers out of business in every State—up to another half-million cows.

NET RESULTS TO FARM INCOME

It should be apparent that anything which would lead to a liquidation of 10 percent of the milk cows in the country would be a major disaster, yet there is another way of calculating the effect of increased oleo sales.

The Bureau of Agricultural Economics calculates that the farmer received 12.8 cents out of every pound of oleomargarine sold in 1947. The farmer received 59.7 cents per pound from butter. Thus, for every pound of oleo which displaced a pound of butter, the total income of American agriculture was reduced by 46.9 cents. If oleo replaced butter to the extent of 600,000,000 pounds, the loss to agricultural income in general would total more than a quarter of a billion dollars. This would occur even before reckoning the sizable side effects on other dairy products. It disregards the probability that increased demand for vegetable oils would be met by increased imports, with no benefit at all to domestic producers.

Mr. Speaker, I am introducing a bill which would protect the farmers of this country against the loss of more than a billion dollars. The bill is fair to the consumer, in that it makes it possible for the housewife to buy all the oleomargarine she wants in its most economical, uncolored form, without the payment of any taxes whatever. It is a fair bill in that it relieves the oleo retailer, wholesaler, and manufacturer from all license

fees and reporting requirements. But most of all, my bill is a fair bill in that it protects the dairy farmer against a sure loss of income—a loss which a large part of our agricultural economy cannot afford at this time.

I am convinced that the administration does not intend to let farm income suffer in this country, and that no Member of this House would willfully sponsor any measure to that effect. By contrast, my bill is in complete harmony, as I have said earlier, with the Democratic platform on which the majority of this House was elected.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman will recollect that some Members of this House who favor the coloring of oleomargarine yellow have insisted that the dairy farmers of the country must yield to scientific progress. If the gentleman will permit, I would like to elaborate on that a little bit.

The scientific progress that has been made on oleo to make it taste and appear like butter results from a ruling made by Mr. McNutt when he was head of the Pure Food and Drug Section because he issued a regulation that the oleo industry could put in vitamins the equivalent to butter and he also ruled that they could use butter flavor and flavor the product to taste like butter. He also ruled that they could churn it in milk in order to give butter texture to the product so that it would taste like butter and have the same nutritive value as butter. I therefore contend that it was not as a result of scientific progress but it was by edict of a man in Government who issued a regulation permitting this apparent deception and fraud on behalf of a product in order to take the market away from the legitimate dairy farmers of the country.

Now, as the gentleman said, they want to color the product yellow to make it look like butter, thereby to not only destroy the integrity of two and a half million dairy farmers but also permit deception and fraud on the housewives of the country.

Mr. GRANGER. I think that is a fair statement. I do not want to argue the quality of margarine as compared with butter. But, now, we are getting down to what the issue really is in this fight. It is simply a question of color, and the oleo interests are determined to sell oleomargarine as butter. Make no mistake about that. If they are able to do that, it is going to mean that many of the dairy farmers of the country, and especially those in the South, will go out of business. I have been all over the South in the last 2 or 3 years. There has been great development down there in every line, and especially in dairying. While this bill is not sponsored entirely by people from that section of the country, undoubtedly they have a right to be interested in it.

It seems to me it would be a short-sighted policy to do anything to retard its development. The dairy farms and

the dairy herds conform in every way with the preservation of our soil. As a Member said here the other day, one of the crying needs of our time is the preservation of our soil. The dairy farmer in his operations conforms in every detail with that program.

As I have said time and time again, these are little people that we cannot afford to run out of business. As a result of dairy farming, we have built up in every section of the country, in every congressional district, some activity connected with dairying. Either cheese making, butter making, or the preparation and delivery of milk to the home.

I dare say that in every congressional district of this country, regardless of where it is situated, there are more people who earn a living from dairying than there are who do from the manufacture and sale of oleomargarine.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from Utah [Mr. GRANGER] that the dairy farmers of his State are being punished a great deal worse by this one-way freight rate than they are by competition with oleomargarine. That applies to every dairy farmer west of the Mississippi and south of the Ohio, outside of a few along the Pacific coast, where preferential rates are given to meet water competition.

I wonder if the gentleman will go along with us on the bill I have introduced to outlaw the one-way freight rates that the South and West have been punished with for the last 75 years, in order that those dairy farmers—and I will say to the gentleman from Missouri who is looking at me that I refer to farmers from Missouri and from every other State west of the Mississippi River—might receive something like justice in transportation rates for the dairy products and for other products they manufacture. I wonder if the gentleman will go along with me on that proposition?

Mr. GRANGER. I have always gone along with the gentleman in his fight for justice, for the South and West and other sections, with respect to how railroad rates should be handled, and certainly I would be willing to go along with him on that.

Mr. MCGREGOR. Mr. Speaker, I appreciate the splendid remarks made by the gentleman. I ask unanimous consent that the request I made earlier in the day be vacated and that I be allowed at this point in the RECORD to extend my remarks and include therein a very well written article by Louis Bromfield.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BUTTER VERSUS OLEOMARGARINE

Mr. MCGREGOR. Mr. Speaker, Louis Bromfield, world-famed novelist and operator of the successful Malabar Farm in my district, recently prepared a keen analysis on the butter-oleo question which appeared in approximately 50

newspapers in 20 States through the Bell Syndicate. Mr. Bromfield's judgment is considered as most responsible in agricultural circles throughout the world. I introduce the text of this article into the RECORD at this point:

A VOICE FROM THE COUNTRY—ASK RESTRICTION ON MARGARINE PROFITS

(By Louis Bromfield)

The butter-oleomargarine fight has come into the open again and it might be well to analyze the true elements in a situation, which affects every citizen far beyond the point of whether oleo is cheaper than butter or whether it be taxed or not. Probably no controversy in American history as presented, has caused so much confusion in the minds of the people. This is so because the issue has been based, by the oleo interests, upon the easy political dodge of cheaper living costs and partly because many of the newspaper editorials on the subject have been written with perhaps incomplete knowledge of the whole question. Very great and even economically profound implications lie behind the battle.

Let me say at the outset that most of the butter producers have long since abandoned their fight to maintain the tariff tax which the oleo interests refer to as discriminatory.

The butter people seek only two things—the restriction of the oleo peoples' attempt to deceive by the close imitation possible and some sort of restriction upon the immense profit potentialities of the oleo and oleo oil manufacturers. With the butter business, which can never create its product at a figure anywhere near the production costs of oleomargarine, knocked out by competition from big business and monopoly, there is no limit within reason to the profits of the industrially produced oleo.

Essentially the struggle is one between big business and tacit monopoly on one side and small private enterprise on the other and, as such, it touches the very foundations of our social economy and our political future.

Butter is produced largely by some 4,500 creameries, mostly individually or cooperatively owned and by the thousands of dairy and general farmers who produce the cream from which butter is made. Oleomargarine, an assembly line industrial product, is concentrated in the hands of 28 companies with 65 percent of production in the hands of only five gigantic industrial corporations such as Procter & Gamble and vast Lever Bros.' interests.

PACKAGES SIMILAR

Since the very beginning, the whole purpose of the oleo interests has been to attempt the imitation of butter as closely as possible. Their slogan might well have been not "as good as butter" but "the same as butter" which oleo is not.

One only has to look about in a grocery to see oleo packaged exactly like butter, nearly always in yellow cartons, with dairy scenes for ornamentation, even to such deceptive trade names as "Churngold."

The obvious campaign is less to imitate than to deceive and plenty of us know even today how often in restaurants and dining cars, oleo is served as butter.

It seems to me that the element of unfair and deceptive competition in this respect is clear as crystal.

The oleo interests, down to the oil refining plants, represent big business and the oleo interests have been very successful in dividing the dairy from the soybean and cotton elements in the farm bloc so that agricultural representation has become badly weakened and divided.

They have accomplished this by holding up phantom profits on the materials used in making their synthetic product to cotton and

soybean farmers, who, largely speaking, represent the most destructive and greedy element in American agriculture and are already the most highly subsidized at the taxpayers expense.

Before the war, foreign vegetable oils, produced by labor in Asia and Africa, paid at what in this country could only be regarded as slave wages, were largely used in oleo manufacture.

During the war, the oleo manufacturing interests found these cheap foreign oils unavailable and were forced to use home-produced cottonseed and soybean oils, but once the same interests have won their fight, there is no reason, judging from the whole history of big business, to prevent them from shifting back again to cheap labor materials produced abroad.

The American cotton and soybean people, left holding the bag, will then ask for another protective tariff to add to living costs.

LASTING BENEFITS DOUBTED

Protective tariffs are by no means dead and can never be until that incredible day when there is free trade and universal leveling off of wages and living standards to a point far below that to which the American people are accustomed.

In the meanwhile, there will be either tariffs on imported goods or internal subsidies and high prices, both paid inside the country by the average tax-paying citizen. The popular assumption that wholly unrestricted oleo production will provide a universally cheap table spread by which everyone will benefit is merely a silly oversimplification of a very complex and profound problem.

It is significant that the interest in tariffs generally has shifted from the big manufacturing interests to organized labor and small business because obviously American labor cannot compete with slave-labor wages in the more primitive parts of the world and small business cannot compete with the power of the price controls exercised by vast cartels and tacit monopolies.

The question of tacit monopolies and hidden understandings among a few enormous industrial producers is one which has consumed endless precious hours in the Supreme Court, the Interstate Commerce Commission, and other governmental agencies.

Where understandings among vast cartels and interests begin and end is a difficult problem, but even the average citizen knows that they operate.

The whole oleo question is one in which both organized labor and the Small Businessmen's Association might well take an interest, and the average citizen along with them. It is not as simple or as demagogic a question as the oleo interests have tried to make it.

Incidentally, I have in my possession an original letter circulated among the oleo interests pointing out the great advantages of pouring plenty of money into the advertising accounts of newspapers, especially in the butter areas, as mean an insult to the integrity of the American press as has been perpetrated in a long time.

I might also point out that great cartels and monopolies are the first step in the death of real free enterprise and in the direction of state socialism. There arrives a point when, as Europe well knows, they become intolerable and the state takes over.

Socialism arrives at the point where free enterprise has ceased utterly to exist and the big-business monopolies have taken over.

EXTENSION OF REMARKS

Mr. MITCHELL asked and was given permission to extend his remarks in the Record and include an editorial appearing in the Christian Science Monitor.

Mr. CURTIS asked and was given permission to extend his remarks in the Record and include a memorial passed by the Legislature of Nebraska.

SIGNING OF ENROLLED BILLS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Wednesday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found to be truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HESELTON (at the request of Mr. AUCHINCLOSS), for the week of January 31, on account of the serious illness in his family.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 15 minutes p. m.) the House, under its previous order, adjourned until Wednesday, February 2, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

125. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$500,000 for disaster relief (H. Doc. No. 47); to the Committee on Appropriations and ordered to be printed.

126. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$20,000,000 for the Philippine War Damage Commission in the form of an amendment to the budget for said fiscal year (H. Doc. No. 48); to the Committee on Appropriations and ordered to be printed.

127. A letter from the president, Capital Transit Co., transmitting a report covering the operations of Capital Transit Co. for the calendar year 1948, with balance sheet as of December 31, 1948; to the Committee on the District of Columbia.

128. A letter from the Acting Secretary of the Navy, transmitting a report of the proposed transfers of two 40-foot motor launches to be used by the Shell Fisheries Division of the Department of Conservation of New Jersey; to the Committee on Armed Services.

129. A letter from the Secretary of State, transmitting a report and recommendation concerning certain claims against the Government of the United States; to the Committee on Foreign Affairs.

130. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to clarify the provisions of section 8 of the Immigration Act of February 5, 1917 (39 Stat. 880; U. S. C. 144); to the Committee on the Judiciary.

131. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated May 7, 1948, submitting a report, together with

accompanying papers and an illustration, on a preliminary examination and survey of Wood Island Harbor, Maine, and the pool at Biddeford, authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 49); to the Committee on Public Works and ordered to be printed, with one illustration.

132. A letter from the president, Potomac Electric Power Co., transmitting the report of the Potomac Electric Power Co., for the year ended December 31, 1948; to the Committee on the District of Columbia.

133. A letter from the United States Atomic Energy Commission, transmitting the Fifth Semiannual Report of the United States Atomic Energy Commission, January 1949; to the Joint Committee on Atomic Energy.

134. A letter from the Postmaster General, transmitting proposed legislation to prohibit the parking of vehicles upon any property owned by the United States for postal purposes; to the Committee on Post Office and Civil Service.

135. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to amend the act providing for the appointment of court reporters; to the Committee on the Judiciary.

136. A letter from the Secretary of State, transmitting the twelfth report of the Department of State on the disposal of United States surplus property in foreign areas, January 1949; to the Committee on Expenditures in the Executive Departments.

137. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans, their wives, minor children, and dependent parents; to the Committee on the Judiciary.

138. A letter from the Secretary of the Interior, transmitting the 1948 Annual Report of the Secretary of the Interior on the Investigations of Synthetic Liquid Fuels, Parts I, II, and III; to the Committee on Public Lands.

139. A letter from the Chairman, Civil Aeronautics Board, transmitting the Tenth Annual Report of the Civil Aeronautics Board, 1948; to the Committee on Interstate and Foreign Commerce.

140. A letter from the vice president and comptroller, Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of the Chesapeake & Potomac Telephone Co. for the year 1948, in compliance with chapter 1628, acts of Congress 1904; to the Committee on the District of Columbia.

141. A letter from the representative of the United States upper Colorado River Basin compact negotiations, transmitting a copy of a compact entered into on October 11, 1948, among the States of Arizona, Colorado, New Mexico, Utah, and Wyoming, to determine the rights and obligations of those States respecting uses and deliveries of the water of the upper basin of the Colorado River; to the Committee on Public Lands.

142. A letter from the president, Washington Gas Light Co., transmitting a detailed statement of the business of the Washington Gas Light Co. together with a list of stockholders, for the year ended December 31, 1948; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. H. Res. 22. Resolution creating a select committee

to conduct a study and investigation of the problems of small business; with amendments (Rept. No. 9). Referred to the House Calendar.

Mr. PACE: Committee on Agriculture. H. R. 128. A bill to provide that acreage planted to cotton in 1949 shall not be used in computing cotton-acreage allotments for any subsequent year; with an amendment (Rept. No. 11). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. H. Res. 73. Resolution providing for the consideration of H. R. 1660, a bill to continue through September 30, 1949, certain authority conferred on the President by section 2 of Public Law 395, Eightieth Congress, regarding voluntary agreements and plans; without amendment (Rept. No. 12). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. H. Res. 74. Resolution providing for the consideration of H. R. 128, a bill to provide that acreage planted to cotton in 1949 shall not be used in computing cotton-acreage allotments for any subsequent year; without amendment (Rept. No. 13). Referred to the House Calendar.

ADVERSE REPORT

Under clause 2 of rule XIII,

Mr. KEE: Committee on Foreign Affairs. H. Res. 50. Resolution to obtain information from the Secretary of State on the Palestine situation; without amendment (Rept. No. 10).

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEE:

H. R. 1995. A bill making an emergency authorization of an appropriation for the purpose of erecting in Bluefield, W. Va., a post-office and courthouse building; to the Committee on Public Works.

By Mr. LARCADE:

H. R. 1996. A bill for the purpose of erecting in Opelousas, La., a post office and Federal court building; to the Committee on Public Works.

By Mr. PETERSON:

H. R. 1997. A bill to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes; to the Committee on Public Lands.

H. R. 1998. A bill to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein; to the Committee on Public Lands.

H. R. 1999. A bill to amend the Reclamation Project Act of 1939, and for other purposes; to the Committee on Public Lands.

H. R. 2000. A bill to amend the Reclamation Project Act of 1939, and for other purposes; to the Committee on Public Works.

By Mr. SIKES:

H. R. 2001. A bill to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources; to the Committee on Agriculture.

By Mr. STOCKMAN:

H. R. 2002. A bill to provide for the design and construction of highway bridges near certain dams; to the Committee on Public Works.

By Mr. EVINS:

H. R. 2003. A bill to provide for the construction of a post office at Lynchburg, Tenn.; to the Committee on Public Works.

H. R. 2004. A bill to provide for the construction of a post office at Smithville, Tenn.; to the Committee on Public Works.

H. R. 2005. A bill to provide for the construction of a post office at Woodbury, Tenn.; to the Committee on Public Works.

By Mr. HOBBS:

H. R. 2006. A bill to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 2007. A bill to equalize annual leave and sick leave of postal employees with that of other Federal employees; to the Committee on Post Office and Civil Service.

By Mr. LARCADE:

H. R. 2008. A bill to create a presumption of service connection for World War II veterans in certain cases of tuberculosis disease; to the Committee on Veterans' Affairs.

By Mr. SIMPSON of Illinois:

H. R. 2009. A bill to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States; to the Committee on Public Lands.

By Mr. VINSON:

H. R. 2010. A bill relating to the acquisition and disposition of land and interests in land by the Army and the Air Force; to the Committee on Armed Services.

By Mr. H. CARL ANDERSEN:

H. R. 2011. A bill to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity; to the Committee on Agriculture.

By Mr. BARTLETT:

H. R. 2012. A bill to authorize the erection and operation of a museum at Klukwan, Alaska; to the Committee on Public Lands.

H. R. 2013. A bill to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 2014. A bill to extend time for filing claim for pensions or other benefits withheld from persons residing in countries occupied by the enemy forces during World War II; to the Committee on Veterans' Affairs.

H. R. 2015. A bill to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes; to the Committee on Agriculture.

By Mr. BOGGS of Louisiana:

H. R. 2016. A bill to amend section 2000 (c) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

H. R. 2017. A bill to amend section 2000 (a) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. CASE of South Dakota:

H. R. 2018. A bill to amend the Displaced Persons Act of 1948 to authorize the admission into the United States of 500 displaced doctors and 1,000 nurses, to provide for their employment in Government hospitals, including Indian hospitals, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAWFORD:

H. R. 2019. A bill to amend section 5155 of the Revised Statutes, with respect to the establishment of branches by national banking associations; to the Committee on Banking and Currency.

By Mr. DAVIS of Georgia:

H. R. 2020. A bill to enable certain former officers or employees of the United States

separated from the service subsequent to January 23, 1942, to elect to forfeit their rights to civil-service retirement annuities and to obtain in lieu thereof returns of their contributions with interest; to the Committee on Post Office and Civil Service.

H. R. 2021. A bill to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. GILMER:

H. R. 2022. A bill authorizing the Wyandotte Tribe of Oklahoma, through its business committee, to sell and convey, subject to the approval of the Secretary of the Interior, the Wyandotte Indian public burial ground in Kansas City, Kans.; to the Committee on Public Lands.

By Mr. GRANGER:

H. R. 2023. A bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; to the Committee on Agriculture.

By Mr. HAGEN:

H. R. 2024. A bill to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children; to the Committee on Veterans' Affairs.

H. R. 2025. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. KELLEY:

H. R. 2026. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. KLEIN:

H. R. 2027. A bill to amend section 3 of the Immigration Act of February 5, 1917, as amended (39 Stat. 875-878; 8 U. S. C. 136); to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 2028. A bill to authorize the construction of a new post office at Bayside, Long Island, N. Y.; to the Committee on Public Works.

H. R. 2029. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to exempt payments under said act from taxation; to the Committee on Ways and Means.

H. R. 2030. A bill granting exemption from income tax in the case of retirement pensions and annuities received by State, county, and municipal employees; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 2031. A bill to stimulate exploration, development, mining, production, and conservation of strategic and critical minerals and metals within the United States and its Territories, to establish an Office of National Minerals Development, Production, and Conservation within the Department of the Interior, and for other purposes; to the Committee on Public Lands.

By Mr. LESINSKI:

H. R. 2032. A bill to repeal the Labor-Management Relations Act, 1947, to reenact the National Labor Relations Act of 1935, and for other purposes; to the Committee on Education and Labor.

H. R. 2033. A bill to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Education and Labor.

OLEOMARGARINE

MARCH 21, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 2023]

The Committee on Agriculture, to whom was referred the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 3, strike out the words "Declaration of Policy".

Page 1, line 4, strike out section 1 in its entirety.

Page 2, line 14, renumber section 2 as section 1.

Page 4, line 1, insert a period after the word "Territory", and strike out the remainder of the sentence ending on page 4, line 4.

Page 4, line 6, renumber section 3 as section 2.

Page 4, line 15, renumber section 4 as section 3.

Page 4, line 23, renumber section 5 as section 4.

Page 5, line 6, renumber section 6 as section 5.

Page 5, line 12, renumber section 7 as section 6.

STATEMENT

Oleomargarine has since 1886 been regulated by the Federal Government through the exercise of the taxing power. Under the act of August 2, 1886 (24 Stat. 209), as amended by the Acts of May 9, 1902 (32 Stat. 194), and March 4, 1931 (46 Stat. 1549), white oleomargarine is taxed at the rate of one-fourth of 1 cent per pound, and yellow oleomargarine at the rate of 10 cents per pound. Oleomargarine imported from foreign countries, in addition to import duties, is taxed at the rate of 15 cents per pound. In addition to the tax on the

article itself, manufacturers of, and dealers in, oleomargarine are taxed as follows:

- (1) On manufacturers of oleomargarine, \$600;
- (2) (a) On wholesale dealers in yellow oleomargarine, \$480;
- (b) On wholesale dealers handling white oleomargarine only, \$200;
- (3) (a) On retail dealers in yellow oleomargarine, \$48;
- (b) On retail dealers handling white oleomargarine only, \$6.

Forty-seven bills proposing to remove oleomargarine taxes were introduced in this Congress and referred to the Committee on Agriculture. These bills fall into three general classes:

- (1) Those which merely remove taxes relating to oleomargarine;
- (2) Those which remove the taxes relating to oleomargarine but prohibit the manufacture and sale of yellow oleomargarine; and
- (3) Those bills which remove the taxes on oleomargarine and provide for the regulation of colored oleomargarine in intrastate commerce by extending the provisions of the Federal Food, Drug, and Cosmetic Act to colored oleomargarine in intrastate commerce and by requiring colored oleomargarine sold in public eating places to be clearly identified as such.

Hearings which lasted for 5 days were held on all bills referred to the committee. Extensive hearings were also held on this same subject in the Eightieth Congress and the records of those hearings were available to the committee. The information thus obtained comprises an exhaustive and voluminous compilation of data and opinion, and probably represents about everything that can be said on all sides of this question.

After considering all of the bills before it, the committee reports favorably the accompanying bill H. R. 2023, with the committee amendments referred to above. As originally introduced, the bill provided for the repeal of taxes relating to oleomargarine and the handlers thereof, but prohibited the manufacture, transportation and sale of yellow oleomargarine in both interstate and intrastate commerce. However, the author of the bill stated that it was his intent to have the bill applicable only to shipments across State lines; therefore, the bill was amended by the committee by striking out section (1) "The Declaration of Policy" and by striking out the last 32 words of subsection 2 (c) (subsec. 1 (c) in the bill as amended). The intent of the committee in adopting these two amendments was to limit the regulation authorized under this bill to yellow oleomargarine in interstate commerce.

As amended, the bill makes a clean sweep and removes all taxes on oleomargarine and on manufacturers, wholesalers, and retailers thereof by repealing the internal revenue laws relating to oleomargarine.

Under existing laws, all oleomargarine is taxed irrespective of whether it is produced locally or whether it is imported from other States or Territories. Likewise all manufacturers, dealers, and retailers who handle oleomargarine are taxed. This bill removes the Federal regulations over oleomargarine which have heretofore been exercised through the taxing power by abolishing all Federal taxes relating to oleomargarine, and leaves to the States and Territories complete authority over oleomargarine in intrastate commerce. There will be left to the Federal Government under this bill merely the responsibility for seeing that the channels of interstate commerce are closed to yellow oleomargarine. The committee does not by the provisions of

this bill intend to weaken, modify, or repeal any of the provisions of the Federal Food, Drug, and Cosmetic Act insofar as the provisions of that act are applicable to oleomargarine which has been introduced in interstate commerce.

The committee believes that H. R. 2023 will attain two basic objectives: First, it will abolish all the Federal taxes and the regulations incidental thereto on oleomargarine; and secondly, it will permit yellow oleomargarine to be produced or colored locally and made available to consumers in those States whose local laws permit yellow oleomargarine to be manufactured, colored, and sold.

CHANGES IN THE EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law in which no change is made is shown in roman; existing law proposed to be repealed is enclosed in brackets; new matter added by the reported bill is shown in italics):

INTERNAL REVENUE CODE

(Title 26, U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201)

[SECTION 2300. OLEOMARGARINE DEFINED.

¶ For the purpose of this chapter, and of sections 3200 and 3201, certain manufactured substances, certain extracts, and certain mixtures and compounds, including such mixtures and compounds with butter, shall be known and designated as "oleomargarine", namely: All substances known prior to August 2, 1886, as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all mixtures and compounds of oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine, and neutral; all lard extracts and tallow extracts; and all mixtures and compounds of tallow, beef fat, suet, lard, lard oil, fish oil or fish fat, vegetable oil, annatto, and other coloring matter, intestinal fat, and offal fat;—if (1) made in imitation or semblance of butter, or (2) calculated or intended to be sold as butter or for butter, or (3) churned, emulsified, or mixed in cream, milk, water, or other liquid, and containing moisture in excess of 1 per centum or common salt. This section shall not apply to puff-pastry shortening not churned or emulsified in milk or cream, and having a melting point of one hundred and eighteen degrees Fahrenheit or more, nor to any of the following containing condiments and spices: salad dressings, mayonnaise dressings, or mayonnaise products nor to liquid emulsion, pharmaceutical preparations, oil meals, liquid preservatives, illuminating oils, cleansing compounds, of flavoring compounds.

[SECTION 2301. TAX—(A) RATE.

¶ (1) Upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax at the rate of one-fourth of 1 cent per pound; except that such tax shall be at the rate of 10 cents per pound in the case of oleomargarine which is yellow in color.

¶ (2) For the purposes of paragraph (1), oleomargarine shall be held to be yellow in color when it has a tint or shade containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, but with an excess of yellow over red, measured in the terms of the Lovibond tintometer scale or its equivalent. Such measurements shall be made under regulations prescribed by the Commissioner, with the approval of the Secretary, and such regulations shall provide that the measurements shall be applied in such manner and under such conditions as will, in the opinion of the Commissioner, insure as nearly as practicable that the result of the measurement will show the color of the oleomargarine under the conditions under which it is customarily offered for sale to the consumer.

[(B) BY WHOM PAID.

¶ The tax levied by subsection (a) shall be paid by the manufacturer.

[(C) HOW PAID—(1) STAMPS.

[The tax levied by subsection (a) shall be represented by coupon stamps.

[(2) ASSESSMENT.

[Whenever any manufacturer of oleomargarine sells, or removes for sale or consumption, any oleomargarine upon which the tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner, subject to the limitations prescribed in section 3312, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal.

[SECTION 2302. MANUFACTURERS—(A) DEFINITION.

[Every person who manufactures oleomargarine for sale shall be deemed a manufacturer of oleomargarine. And any person that sells, vends, or furnishes oleomargarine for the use and consumption of others, except to his own family table without compensation, who shall add to or mix with such oleomargarine any substance which causes such oleomargarine to be yellow in color, determined as provided in paragraph 2 of section 2301 (a), shall also be held to be a manufacturer of oleomargarine within the meaning of this chapter or section 3200 or 3201 of chapter 27, and subject to the provisions thereof.

[(B) PACKING REQUIREMENTS—(1) KIND AND WEIGHT OF PACKAGES.

[All oleomargarine shall be packed by the manufacturer thereof in firkins, tubs, or other wooden, tin-plate, or paper packages, not before used for that purpose, containing, or encased in a manufacturer's package made from any of such materials of, not less than ten pounds.

[(2) MARKS AND STAMPS.

[The packages described in paragraph (1) shall be marked, stamped, and branded as the Commissioner, with the approval of the Secretary, shall prescribe; and all sales made by manufacturers of oleomargarine shall be in original stamped packages.

[(3) CAUTION LABEL.

[Every manufacturer of oleomargarine shall securely affix, by pasting, on each package containing oleomargarine manufactured by him, a label on which shall be printed, besides the number of the manufactory and the district and State in which it is situated, these words: "Notice.—The manufacturer of the oleomargarine herein contained has complied with all the requirements of law. Every person is cautioned not to use either this package again or the stamp thereon again, nor to remove the contents of this package without destroying said stamp, under the penalty provided by law in such cases."

[(C) BOOKS AND RETURNS.

[Every manufacturer of oleomargarine shall file with the collector of the district in which his manufactory is located such notices, inventories, shall keep such books, and render such returns of materials and products, and conduct his business under such surveillance of officers and agents as the Commissioner, with the approval of the Secretary, may, by regulation, require.

[(D) FACTORY NUMBER AND SIGNS.

[Every manufacturer of oleomargarine shall put up such signs and affix such number to his factory as the Commissioner, with the approval of the Secretary, may, by regulation, require.

[(E) BONDS.

[Every manufacturer of oleomargarine shall file with the collector of the district in which his manufactory is located such bonds as the Commissioner, with the approval of the Secretary, may, by regulation, require. But the bond required of such manufacturer shall be with sureties satisfactory to the collector, and in a penal sum of not less than \$5,000; and the sum of said bond may be increased from time to time, and additional sureties required at the discretion of the collector, or under instructions of the Commissioner.

[SECTION 2303. WHOLESALE DEALERS—(A) DEFINITION.

[Every person who sells or offers for sale oleomargarine in the original manufacturer's packages shall be deemed a wholesale dealer in oleomargarine.

[(B) SELLING REQUIREMENTS.]

【All sales made by wholesale dealers in oleomargarine shall be in original stamped packages.

[(C) BOOKS AND RETURNS.]

【Wholesale dealers in oleomargarine shall keep such books and render such returns in relation thereto as the Commissioner, with the approval of the Secretary, may, by regulation, require; and such books shall be open at all times to the inspection of any internal revenue officer or agent.

[SECTION 2304. RETAIL DEALERS—(A) DEFINITION.]

【Every person who sells oleomargarine in less quantities than ten pounds at one time shall be regarded as a retail dealer in oleomargarine.

[(b) PACKING AND SELLING REQUIREMENTS.]

【Retail dealers in oleomargarine must sell only from original stamped packages, in quantities not exceeding ten pounds, and shall pack, or cause to be packed, the oleomargarine sold by them in suitable wooden, tinplate, or paper packages which shall be marked and branded as the Commissioner, with the approval of the Secretary, shall prescribe.

[SECTION 2305. STAMPS ON EMPTIED PACKAGES.]

【Whenever any stamped package containing oleomargarine is emptied, it shall be the duty of the person in whose hands the same is to destroy utterly the stamps thereon. Any revenue officer may destroy any emptied oleomargarine package upon which the tax-paid stamp is found.

[SECTION 2306. IMPORTATION.]

【All oleomargarine imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal revenue tax of 15 cents per pound, such tax to be represented by coupon stamps as in the case of oleomargarine manufactured in the United States. The stamps shall be affixed and canceled by the owner or importer of the oleomargarine while it is in the custody of the proper customhouse officers; and the oleomargarine shall not pass out of the custody of said officers until the stamps have been so affixed and canceled, but shall be put up in wooden packages, each containing not less than ten pounds, as prescribed in this chapter for oleomargarine manufactured in the United States, before the stamps are affixed; and the owner or importer of such oleomargarine shall be liable to all the penal provisions of this chapter prescribed for manufacturers of oleomargarine manufactured in the United States. Whenever it is necessary to take any oleomargarine so imported to any place other than the public stores of the United States for the purposes of affixing and canceling such stamps, the collector of customs of the port where such oleomargarine is entered shall designate a bonded warehouse to which it shall be taken, under the control of such customs officer as such collector may direct.

[SECTION 2307. EXPORTATION.]

【Oleomargarine may be removed from the place of manufacture for export to a foreign country without payment of tax or affixing stamps thereto, under such regulations and the filing of such bonds and other security as the Commissioner, with the approval of the Secretary, may prescribe. Every person who shall export oleomargarine shall brand upon every tub, firkin, or other package containing such article the word "Oleomargarine," in plain Roman letters not less than one-half inch square.

[SECTION 2308. PENALTIES—(a) FALSE BRANDING; SELLING, PACKING, OR STAMPING IN VIOLATION OF LAW.]

【Every person who knowingly sells or offers for sale, or delivers or offers to deliver, any oleomargarine in any other form than in new wooden, tin-plate, or paper packages as described in section 2302 (b) (1) and (2) or who packs in any package any oleomargarine in any manner contrary to law, or who falsely brands any package or affixes a stamp on any package denoting a less amount of tax than that required by law shall be fined for each offense not more than \$1,000, and be imprisoned not more than two years.

[(B) OMISSION OR REMOVAL OF LABEL.]

【Every manufacturer of oleomargarine who neglects to affix the label described in section 2302 (b) (3) to any package containing oleomargarine made by him, or sold or offered for sale by or for him, and every person who removes any such label so affixed from any such package, shall be fined \$50 for each package in respect to which such offense is committed.

[(C) REMOVAL OR DEFACEMENT OF STAMPS, MARKS, OR BRANDS.

Any person who shall willfully remove or deface the stamps, marks, or brands on a package containing oleomargarine taxed as provided in this subchapter shall be guilty of a misdemeanor, and shall be punished by a fine of not less than \$100 nor more than \$2,000, and by imprisonment for not less than thirty days nor more than six months.

[(D) FRAUD BY MANUFACTURERS.

Whenever any person engaged in carrying on the business of manufacturing oleomargarine defrauds, or attempts to defraud, the United States of the tax on the oleomargarine produced by him, or any part thereof, he shall be fined not less than \$500 nor more than \$5,000, and be imprisoned not less than six months, nor more than three years.

[(E) PURCHASING WHEN NOT PROPERLY BRANDED OR STAMPED.

Every person who knowingly purchases or receives for sale any oleomargarine which has not been branded or stamped according to law shall be liable to a penalty of \$50 for each such offense.

[(F) PURCHASING FROM MANUFACTURER WHO HAS NOT PAID SPECIAL TAX.

Every person who knowingly purchases or receives for sale any oleomargarine from any manufacturer who has not paid the special tax required under subsection (a) of section 3200 of chapter 27 shall be liable for each offense to a penalty of \$100.

[(G) EMPTY PACKAGES—(1) FAILURE TO DESTROY STAMPS.

Any person who willfully neglects or refuses to destroy utterly the stamps on any empty package which contained oleomargarine shall for each such offense be fined not exceeding \$50, and imprisoned not less than ten days nor more than six months; and

[(2) TRAFFICKING.

Any person who fraudulently gives away or accepts from another, or who sells, buys, or uses for packing oleomargarine, any such stamped package, shall for each such offense be fined not exceeding \$100, and be imprisoned not more than one year.

[(H) FAILURE OF WHOLESALE DEALERS TO KEEP OR PERMIT INSPECTION OF BOOKS, OR TO RENDER RETURNS.

Any person who willfully violates any of the provisions of subsection (c) of section 2303 shall for each such offense be fined not less than \$50 and not exceeding \$500, and imprisoned not less than thirty days nor more than six months.

[(I) IMPORTED OLEOMARGARINE—(1) FAILURE OF CUSTOMS OFFICER TO COMPLY WITH LAW.

Every officer of customs who permits any imported oleomargarine to pass out of his custody or control without compliance by the owner or importer thereof with the provisions of section 2306 relating thereto, shall be fined not less than \$1,000 nor more than \$5,000, and imprisoned not less than six months nor more than three years.

[(2) SALE WHEN IMPROPERLY PACKED OR STAMPED.

Every person who sells or offers for sale any imported oleomargarine, or oleomargarine purporting or claimed to have been imported, not put up in packages and stamped as provided by this subchapter, shall be fined not less than \$500 nor more than \$5,000, and be imprisoned not less than six months nor more than two years.

[(J) OFFENSES NOT SPECIFICALLY COVERED.

If any manufacturer of oleomargarine, any dealer therein or any importer or exporter thereof shall knowingly or willfully omit, neglect, or refuse to do, or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this subchapter or chapter 27 prohibited, if there be no specific penalty or punishment imposed by any other provision of this subchapter or chapter 27 for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the things required or prohibited, he shall pay a penalty of \$1,000.

[SECTION 2309. FORFEITURES—(A) SPECIAL TAX ON MANUFACTURER UNPAID.

Every person who knowingly purchases or receives for sale any oleomargarine from any manufacturer who has not paid the special tax required under subsection (a) of section 3200 shall be liable for each offense to a forfeiture of all articles so purchased or received, or of the full value thereof.

[(B) PACKAGES. UNSTAMPED, UNMARKED, OR DELETERIOUS.]

【All packages of oleomargarine subject to tax under this subchapter, that shall be found without stamps or marks as herein provided, and all oleomargarine intended for human consumption which contains ingredients adjudged, as provided in section 2311, to be deleterious to the public health, shall be forfeited to the United States.

[(C) FRAUD BY MANUFACTURER.]

【Whenever any person engaged in carrying on the business of manufacturing oleomargarine defrauds, or attempts to defraud, the United States of the tax on the oleomargarine produced by him, or any part thereof, he shall forfeit the factory and manufacturing apparatus used by him, and all oleomargarine and all raw material for the production of oleomargarine found in the factory and on the factory premises.

[(d) OFFENSES NOT SPECIFICALLY COVERED.]

【If any manufacturer of or wholesale dealer in oleomargarine shall knowingly or willfully omit, neglect, or refuse to do, or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this subchapter or chapter 27 prohibited, all the oleomargarine owned by him, or in which he has any interest as owner, shall be forfeited to the United States.

【SECTION 2310. RECOVERY OF PENALTIES AND FORFEITURES.]

【All fines, penalties, and forfeitures imposed by this subchapter or section 3201 may be recovered in any court of competent jurisdiction.

【SECTION 2311. COMMISSIONER'S DECISIONS—(a) TAXABILITY.]

【The Commissioner is authorized to decide what substances, extracts, mixtures, or compounds which may be submitted for his inspection in contested cases are to be taxed under this subchapter; and his decision in matters of taxation under this subchapter shall be final.

[(b) DELETERIOUS INGREDIENTS.]

【The Commissioner may also decide whether any substance made in imitation or semblance of butter, and intended for human consumption, contains ingredients deleterious to the public health.

[(c) APPEAL.]

【In case of doubt or contest the decisions of the Commissioner in the class of cases under subsection (b) may be appealed from to a board constituted for the purpose, and composed of the Surgeon General of the Army, the Surgeon General of the Navy, and the Secretary of Agriculture; and the decisions of this board shall be final in the premises.

【SECTION 2313. TOBACCO STAMP LAWS APPLICABLE.]

【The provisions of law governing the engraving, issue, sale, accountability, effacement, and destruction of stamps relating to tobacco and snuff, as far as applicable, shall apply to stamps provided for by section 2301 (c) (1).

【SECTION 3200. TAX—(A) MANUFACTURERS.]

【Manufacturers of oleomargarine shall pay a special tax of \$600.

[(B) WHOLESALE DEALERS—(1) IN GENERAL.]

【Wholesale dealers in oleomargarine shall pay a special tax of \$480: *Provided*, That wholesale dealers who vend no other oleomargarine or butterine except that upon which a tax of one-fourth of 1 cent per pound is imposed by section 2301 (a) shall pay \$200.

[(2) MANUFACTURERS SELLING AT WHOLESALE.]

【Any manufacturer of oleomargarine who has given the required bond and paid the required special tax, and who sells only oleomargarine of his own production, at the place of manufacture, in the original packages to which the tax-paid stamps are affixed, shall not be required to pay the special tax of a wholesale dealer in oleomargarine on account of such sales.

[(C) RETAIL DEALERS.]

【Retail dealers in oleomargarine shall pay a special tax of \$48: *Provided*, That such retail dealers as vend no other oleomargarine or butterine except that upon which is imposed by section 2301 (a) a tax of one-fourth of 1 cent per pound, shall pay \$6.

[SECTION 3201. PENALTIES—(A) MANUFACTURERS.

【Every person who carries on the business of a manufacturer of oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than \$1,000 and not more than \$5,000; and

[(B) WHOLESALE DEALERS.

【Every person who carries on the business of a wholesale dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than \$500 nor more than \$2,000; and

[(C) RETAIL DEALERS.

【Every person who carries on the business of a retail dealer in oleomargarine without having paid the special tax therefor, as required by law, shall, besides being liable to the payment of the tax, be fined not less than \$50 nor more than \$500, for each and every offense.】



81ST CONGRESS
1ST SESSION

H. R. 2023

[Report No. 277]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 1949

Mr. GRANGER introduced the following bill; which was referred to the Committee on Agriculture

MARCH 21, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **DECLARATION OF POLICY**

4 **SECTION 1.** Yellow oleomargarine resembles butter so
5 closely that it lends itself readily to substitution for or con-
6 fusion with butter and in many cases cannot be distinguished
7 from butter by the ordinary consumer. The manufacture,
8 sale, or serving of yellow oleomargarine creates a condition
9 conducive to substitution, confusion, fraud, and deception,
10 and one which if permitted to exist tends to interfere with

1 the orderly and fair marketing of essential foods in commerce.
 2 Such transactions in yellow oleomargarine, whether intra-
 3 state or interstate in character, burden, obstruct, and affect
 4 commerce, interfere with the production of goods for com-
 5 merce and the free flow of goods in commerce, and constitute
 6 an unfair method of competition in commerce.

7 It is hereby declared to be the policy of Congress to
 8 correct and eliminate the conditions above referred to; to
 9 promote the orderly and fair marketing of essential foods
 10 in commerce; to prevent confusion, fraud, and deception in
 11 commerce; and to prohibit practices which burden, obstruct,
 12 or affect commerce, the free flow of goods in commerce, or
 13 the production of goods for commerce.

14 DEFINITIONS

15 ~~SEC. 2~~ SECTION 1. (a) The term "oleomargarine" as
 16 used in this Act includes—

17 (1) all substances, mixtures, and compounds known
 18 as oleomargarine, margarine, oleo, or butterine;

19 (2) all substances, mixtures, and compounds which
 20 have a consistency similar to that of butter and which
 21 contain any edible oils or fats other than milk fat if
 22 (A) made in imitation or semblance of butter, or pur-
 23 porting to be butter or a butter substitute, or (B) com-
 24 monly used, or intended for common use, in place of or
 25 as a substitute for butter, or (C) churned, emulsified,

or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 per centum and commonly used, or suitable for common use, as a substitute for butter.

(b) For the purposes of this Act "yellow oleomargarine" is oleomargarine, as defined in subsection (a) of this section, having a tint or shade containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, measured in terms of the Lovibond tintometer scale read under conditions substantially similar to those established by the Bureau of Internal Revenue, or the equivalent of such measurement.

(c) The term "commerce" as used in this Act means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country, and includes the possession, transportation, serving, or sale (whether or not the first sale) of articles within a State after shipment in interstate or foreign commerce: *Provided*, however, That oleomargarine and yellow oleomargarine

1 within the borders of a State or Territory shall be subject to
2 the laws and regulations of such State or Territory ~~to the~~
3 extent that such laws and regulations are not inconsistent
4 with Federal laws regardless of whether such products may
5 or may not be or have been in commerce as herein defined.

6 PROHIBITED ACTS

7 SEC. 3 2. The manufacture, transportation, handling,
8 possession, sale, use, or serving of yellow oleomargarine in
9 commerce, or after shipment in commerce, or in connection
10 with the production of goods for commerce, or which affects,
11 obstructs, or burdens commerce or the free flow of goods in
12 commerce, is hereby declared unlawful: *Provided*, That
13 nothing herein contained shall be construed to prohibit the
14 use of yellow oleomargarine in private homes.

15 ENFORCEMENT

16 SEC. 4 3. The Administrator of the Federal Security
17 Agency is authorized and directed to administer and enforce
18 this Act and to prescribe and enforce rules and regulations
19 to carry out its purposes and policies. The enforcement pro-
20 visions of the Federal Food, Drug, and Cosmetic Act, includ-
21 ing the provisions relating to injunctions and seizure, shall
22 be available for the enforcement of this Act.

23 PENALTIES

24 SEC. 5 4. Any person, firm, or corporation violating any
25 of the provisions of this Act, or of the rules and regulations

1 issued in connection therewith, and any officer, agent, or
2 employee thereof who directs or knowingly permits such
3 violations, or who aids or assists therein, shall upon con-
4 viction thereof be subject to punishment in the same manner
5 and to the same extent as persons who violate the Federal
6 Food, Drug, and Cosmetic Act.

7 APPROPRIATIONS

8 SEC. 6 5. There is hereby authorized to be appropriated
9 annually, out of any money in the Treasury not otherwise
10 appropriated, such sums as may be necessary for the ade-
11 quate enforcement of this Act.

12 REPEAL

13 SEC. 7 6. The following sections of the Internal Revenue
14 Code (relating to taxes on colored and uncolored oleomar-
15 garine, to special occupational taxes on manufacturers,
16 wholesalers, and retailers of oleomargarine, and to packaging,
17 reporting, and other regulations of oleomargarine) are
18 hereby repealed: Sections 2300, 2301, 2302, 2303, 2304,
19 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200,
20 3201 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304,
21 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200,
22 3201).

81ST CONGRESS
1ST Session

H. R. 2023

[Report No. 277]

A BILL

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

By Mr. GRANGER

JANUARY 31, 1949

Referred to the Committee on Agriculture

MARCH 21, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed.

CONSIDERATION OF H. R. 2023

MARCH 28, 1949.—Referred to the House Calendar and ordered to be printed

Mr. COLMER, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 168]

The Committee on Rules, having had under consideration House Resolution 168, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 33

81ST CONGRESS
1ST SESSION

H. RES. 168

[Report No. 325]

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 1949

Mr. COLMER, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House
3 resolve itself into the Committee of the Whole House on
4 the State of the Union for the consideration of the bill
5 (H. R. 2023) to regulate oleomargarine, to repeal certain
6 taxes relating to oleomargarine, and for other purposes.
7 That after general debate, which shall be confined to the bill
8 and continue not to exceed three hours, to be equally
9 divided and controlled by the chairman and ranking mi-
10 nority member of the Committee on Agriculture, the bill
11 shall be read for amendment under the five-minute rule.
12 At the conclusion of the consideration of the bill for amend-

1 ment, the Committee shall rise and report the bill to the
2 House with such amendments as may have been adopted
3 and the previous question shall be considered as ordered
4 on the bill and amendments thereto to final passage without
5 intervening motion except one motion to recommit.

House Calendar No. 33

81ST CONGRESS
1ST SESSION

H. RES. 168

[Report No. 325]

RESOLUTION

Providing for the consideration of H. R. 2023,
a bill to regulate oleomargarine, to repeal
certain taxes relating to oleomargarine, and
for other purposes.

By Mr. COLMER

MARCH 28, 1949

Referred to the House Calendar and ordered to be
printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

Vol. 95

WASHINGTON, THURSDAY, MARCH 31, 1949

No. 53

House of Representatives

The House met at 12 o'clock noon.

Rev. Edward E. Tate, headmaster, St. Stephen's School for Boys, Alexandria, Va., offered the following prayer:

O God of infinite power and might, the maker and ruler of all men upon the earth, we commend this Nation to the guidance of Thy wisdom and to the keeping of Thy laws. May those who have been chosen by the people to serve them carry out their sacred responsibilities in honesty and uprightness of life. May they never be allowed to forget that they are answerable, not alone to the people but to the God who knows and judges. Deliver them from the inordinate love of power and the motives of personal aggression, from the considerations of ambitious men or their influence in place of the demands of truth and justice. Bless them, O God, in their several duties with an ever larger vision of truth, an ever deeper sense of the demands of righteousness, so that through their faithfulness the life of our people may be sustained by wise policies, strengthened by good government, and lifted to a higher plane of destiny and achievement.

And, O Father, who hast appointed a day when the kingdoms of this world shall become one with the Kingdom of our Lord, inspire us all with such loyalty that we may serve Thee as Thou deservest, choosing Thy way as our own. May we be satisfied, in these days of perplexity and anxiety, with nothing less than a country at unity with itself, so that in winning our bid for freedom and fellowship we may guide the world into a larger unity of all men. All this we ask through Him who came to set men free, Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

FEDERAL BONUS FOR SERVICE IN WORLD WAR II BY RESIDENTS OF THE DISTRICT OF COLUMBIA

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the bill (H. R. 1233) to provide a Federal bonus for service in World War II by residents of the District of Columbia, and that the bill be referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. PERKINS asked and was given permission to extend his remarks in the RECORD in three instances and include in each an article, one from the United Mine Workers Journal, dated March 15, and the other two from the New York Times on the United Mine Workers welfare fund.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include some items.

Mr. CHRISTOPHER asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and to include an address by former Postmaster General James Farley.

Mr. KEOGH asked and was given permission to extend his remarks at this point in the RECORD.

ECONOMIC COOPERATION ADMINISTRATION

Mr. KEOGH. Mr. Speaker, I should like to direct the attention of the House

at this time to the fact that the bill continuing the foreign-aid program does not require American-flag participation in the carriage of ECA cargoes in trades between foreign ports and does not, therefore, make adequate provision for the use of American-flag tankers for the transportation of petroleum and petroleum products to various ECA nations. The act provides that petroleum cargoes be provided from sources outside the United States wherever practicable. Most of this transportation takes place in the so-called indirect trades, such as the movement of petroleum from Venezuela or the Persian Gulf areas to Europe. During the past year most of this transportation has been carried on by foreign-flag tankers, the American-flag participation being negligible. The situation is especially bad because there is now a surplus of American-flag tanker tonnage, and the American-flag tanker fleet is threatened with wholesale lay-ups. Both the CIO and the A. F. of L. unions are concerned about the resulting unemployment.

I intended to offer an amendment to clarify this situation. However, I am informed that Mr. Hoffman has made personal assurances to the Merchant Marine and Fisheries Committee that he would make necessary readjustments to give the American-flag tanker fleet a reasonable participation in the indirect tanker movement. I shall, therefore, refrain from offering any amendment to cover that situation. I assume that under this program American-flag tankers will receive at least one-third of the indirect tanker movement business. I have full confidence in Mr. Hoffman's assurances on this point, but I desire that the House know that I am relying in this connection upon these assurances.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. McGRATH asked and was given permission to extend his remarks in the RECORD.

Mr. TAURIELLO asked and was given permission to extend his remarks at this point in the RECORD.

Mr. TAURIELLO. Mr. Speaker, on March 25 the Greeks all over the world celebrated Greek Independence Day, the one hundred and twenty-eighth anniversary of their freedom from the Turks who had overrun and conquered their country. I am sure the House of Representatives does not want the commemoration of this day by a great race of courageous and liberty-loving people to go unnoticed.

When we think of Greece, we are reminded of a gallant, courageous, and valiant people who, during this last World War, stood up in the face of overwhelming odds and, like the Greeks of ancient times, fought the invading and destructive hordes from the north who devastated her land and homes and slaughtered them by the thousands.

When we think of Greece, we think of Sparta and Athens, where the principles of democracy were really practiced, who ruled the world in ancient times, and who contributed so much to the civilization of the world. We think of some of the great men she produced—Demosthenes, Pericles, Socrates, Plato, Aristotle, Pindar, Heroditus, Themistocles, Lysurgus, and Solon, and many others renowned in their respective fields.

When we think of Greece, we think of the fine American citizens of Greek extraction who have contributed so much to the business and cultural life of this great country of ours, who are the finest type of citizens.

When we think of Greece, we think of a valiant, gallant, and courageous people who are continuing their fight for independence and democracy against the destructive hordes of communism, and surely we, as the most powerful Nation in the world, want to direct all the economic aid possible to help her in her great struggle to survive and to take her rightful place in the sun with the other nations of the world.

Mr. GRANAHAH asked and was given permission to extend his remarks in the RECORD and include an article from the Philadelphia Evening Bulletin of March 28.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in three instances and include certain statements and excerpts.

Mr. HEBERT. Mr. Speaker, on March 24 I was granted permission by the House to extend my remarks in the RECORD and include extraneous matter. I am informed by the Public Printer that the cost of printing will be \$159.75. Notwithstanding the cost, I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include a resolution by the General Court of Massachusetts.

Mr. MACK of Washington asked and was given permission to extend his remarks in the record in two instances and include extraneous matter.

Mr. McCORMACK. Mr. Speaker, for the information of the Members concerning the proposed repairs to the House Chamber, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter with an enclosure received from David Lynn, the Architect of the Capitol.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include an article from the Washington News.

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper editorials.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD.

CALL OF THE HOUSE

Mr. H. CARLANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Bailey	Hoffman, Mich.	Riehlman
Barrett, Pa.	Horan	Scott,
Blatnik	Jenlson	Hugh D., Jr.
Bolton, Ohio	Jennings	Smith, Ohio
Bosone	Judd	Somers
Bulwinkle	Kearns	Stanley
Celler	Kirwan	Stefan
Dawson	Macy	Thomas, N. J.
Dingell	Marrow	Welch, Mo.
Dolliver	Morrison	Whitaker
Evins	Morton	White, Idaho
Fernandez	Murdoch	Wood
Gilmer	O'Brien, Mich.	Woodhouse
Gossett	O'Toole	Woodruff
Hall,	Poulson	
Leonard W.	Powell	

The SPEAKER. On this roll call, 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 176) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That CHASE GOING WOODHOUSE, of Connecticut, be, and she is hereby, elected a member of the standing Committee of the House of Representatives on House Administration.

The resolution was agreed to.

REGULATION OF OLEOMARGARINE

Mr. COLMER. Mr. Speaker, I call up House Resolution 168 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]; and pending that I yield myself 5 minutes.

Mr. Speaker, this resolution makes in order consideration of H. R. 2023, known as the Granger bill. There was quite a little testimony before the Rules Committee to the effect that there would be a substitute bill offered, the Poage bill, and possibly another amendment offered by the gentleman from South Carolina [Mr. RIVERS] which would seek to follow still another course.

This matter of oleomargarine versus butter or butter versus oleomargarine has been kicking around in this Congress for some 15 years or more, to my personal knowledge; and altogether for some 60 years. The question that will be presented to the House today through representatives of the two opposing groups, as I understand it, would seek first, under H. R. 2023, certain types of curtailment upon the shipment of oleomargarine. The opponents of that theory of the legislation contend that that gives butter an unfair advantage. The proponents of H. R. 2023, on the other hand, contend that the dairy industry should have some Federal protection.

Under the Poage bill, which I understand will be offered, oleomargarine would not be discriminated against except that the law would require that oleomargarine be distinctly and definitely designated and marked as such, in order that the consuming public could not be misled, and would know in the first instance whether they were purchasing oleomargarine or butter.

I understand further that that bill provides that each package of oleomargarine would be required to be marked or branded as such, and that therefore the housewife or anyone who desired to purchase either commodity would know what they were purchasing when they purchased it, and that safeguards thereby would be thrown around the consuming public so that some unscrupulous merchant or dealer could not sell them

oleomargarine when they thought they were purchasing butter.

Of course, in this conflict which has been waging, the advocates of the Granger bill take the position that the dairy industry should be given more protection.

The SPEAKER. The time of the gentleman from Mississippi [Mr. COLMER] has expired.

Mr. COLMER. Mr. Speaker, I yield myself one additional minute.

It is my personal thought, as one who tries to approach the matter sincerely, that if the public, the body in whom we should be primarily interested, is protected in that they know what they are purchasing, that is as far as the Congress should go. In the final analysis, this House will have an opportunity under this rule granted by the Rules Committee to pass upon the merits and demerits of the conflicting theories as they will be presented here today and possibly tomorrow.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. CANFIELD] and ask unanimous consent that he may proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CANFIELD. Mr. Speaker, have you, perchance observed the reported delight experienced by the President when he signed the rent-control bill passed by both Houses of Congress this week? Yesterday in signing the bill he said it meant effective rent control; he also went on to say that it meant a crushing defeat for the real-estate lobby. When the conference report was being debated in this House this week I asked the distinguished chairman of the House Committee on Banking and Currency in charge of the bill, very politely, I thought, this question: "Is it not true that the local option feature of the bill is obnoxious to the President of the United States?" And his answer was, "I have no reason to think so." Then he went on to say that I was injecting politics into the debate.

Let me call attention to the exact remarks made by the President in addressing the mayors' conference here in Washington on March 21. These remarks bear on the local option feature of rent control. I quote:

During recent weeks the real-estate lobby has made a concerted effort to have rent control turned over to the cities and localities. I have no doubt that the elected officials of city and local governments in most large city areas are as strongly in favor of effective rent control as I am. They know that their problems of overcrowding, relief to the needy, crime and juvenile delinquency, would be greatly increased if rent controls were removed now. The point is, however, that most cities have neither the legal authority nor the financial resources to carry out a successful program of rent control. The real-estate lobby knows this perfectly well. It wants us to turn rent control over to local authority—not in order to strengthen local authority, but in order to destroy rent control.

Mr. Speaker, both these statements, that of March 21 and that of yesterday were post-Key West statements of the President of the United States.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts, to submit a consent request.

Mr. HERTER. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD an article on the Taft-Hartley law by Prof. Sumner H. Slichter, notwithstanding the fact that the Public Printer advises it will cost \$514.75.

The SPEAKER pro tempore. Without objection, notwithstanding the excess, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, the sole question before this body is whether or not we shall support the rule, House Resolution 168, making in order consideration of the bill H. R. 2023 providing for the regulation of oleomargarine and the repeal of the tax thereon, and for other purposes.

As the gentleman from Mississippi has stated, this rule provides for 3 hours of general debate, after which time it will be open for amendment when the bill is read under the 5-minute rule.

During the Eightieth Congress this body overwhelmingly passed a bill in support of oleomargarine. I know that there is some disagreement which perhaps will be taken care of by amendments. I know that all of us are not in complete agreement in regard to what the bill should contain, but I do feel that everyone should support this rule to bring the bill before this body for consideration, and I therefore ask the Members to support the rule.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH], chairman of the Committee on Rules.

Mr. SABATH. Mr. Speaker, there will be no opposition to the rule now before us because I think we are all in favor of passing legislation affecting the present tax on oleomargarine. As I have said many times on this floor, I believe it is manifestly unfair to put a tax on a substitute for butter because the poor people cannot afford to buy butter.

I hope that when the bill is taken up and during the 3 hours of general debate thereon, it will be made clear that we want a fair bill, one that will not mislead the public in any instance; that the packages will be properly marked so that no one can be imposed upon; that the housewives and the people who are obliged to eat in restaurants will not be misled and be served olco instead of butter.

Some of the gentlemen representing rural districts have stated they are fearful this legislation will affect the farmer. Everything that goes into the manufacture and production of oleomargarine is really grown on the farm, whether it is milk, tallow, lard, soybeans, and even the oil. These products are all produced on the farm.

In view of conditions today, there should not be any opposition, as I have said, to this bill because it is bound to relieve those unfortunate people who cannot afford to buy butter.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. A good many times during the last 12 years I have heard the gentleman from Illinois stand up here in the well and state what a good friend of the farmer he has been and that he has always supported farm legislation.

Mr. SABATH. I have.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am amazed and astounded at the gentleman standing up here now and fighting for the oleo manufacturers of America against the dairy farmers of America.

Mr. SABATH. The gentleman either did not hear what I said or did not understand me. I honestly believe this bill will aid the farmer. It may not help the butter makers or those dairies that devote themselves to the manufacture of butter, but the repeal of the extant tax will definitely aid the masses of people in the United States who live on a budget. But in view of the outrageously high prices that have been imposed upon the American people in the last year, and even up to now, where people are obliged to pay a dollar a pound for butter, I think this bill will deter them from holding up the consumers of our country. As it is, this legislation cannot in any way affect the farmers or the milk producers. They are getting very high prices for milk, for cream, for cheese, and for butter. Now let the users, the customers, have a chance to obtain a substitute for a reasonable price without paying 10 cents a pound tax on it and, at the same time, without taxing the businessmen and the dealers who are selling oleomargarine. I would deplore it exceedingly if the oleomargarine people would try to take advantage of it in any way and increase the price of oleo. If they do, I shall be the first one that will criticize them and fight to protect the masses, for I shall always defend what I honestly believe is right.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, there should be no misunderstanding about the merits or the demerits of the controversy between oleomargarine and butter. I am for this bill. I would have preferred to have seen a stronger bill reported by the committee, one that would have prohibited the yellow coloring of oleomargarine throughout the country. But, with all legislation we generally find it is a matter of compromise, and the Granger bill which was adopted by the committee is a compromise measure. It virtually had the unanimous support of the Committee on Agriculture, one of the great committees of the House. I think I am safe in say-

ing that 24 Members voted for reporting the Granger bill as we have it before us today, and only three voted against it. So, today it comes before you as a compromise measure which I am supporting, and which I believe should receive the overwhelming support of the Members of the House.

I have taken this time to give some explanation about the bill and to discuss the factors involved in the controversy. The Granger bill repeals all Federal tax and license fees on the manufacture and sale of oleomargarine. It removes the manufacturer's tax, the wholesaler's tax, and the retail tax, and taxes on oleo, itself. That was the controversy last year and in other sessions of Congress when the same subject was before us.

Secondly, it permits under the States'-rights rule the power of the State to say whether or not yellow oleomargarine should be sold within the State. For those who believe in States rights, why there you have a strict States'-rights proposition which you can well embrace to the fullest extent.

Thirdly, it prohibits the shipment of yellow-colored oleomargarine in interstate commerce. That is the main prohibition in the bill.

Now, some have objected to that because they do not have any oleomargarine factories within their respective States. Well, I can assure those who feel that way that should their State allow yellow-colored oleo to be sold within the State, it will not take long for the oleomargarine industry to get a factory in there.

The provisions of the bill do not weaken, modify, or repeal any part of the Federal Food, Drug, and Cosmetic Act insofar as the provisions of that act are applicable to oleomargarine which has been introduced in interstate commerce.

Last year, as I have said, the fight was over the question of taxes. All sides are now agreed that the tax should be repealed. The dairy farmers of the country through their organizations have agreed to the repeal of the tax. They have also agreed to the proposition that yellow-colored oleomargarine shall not be sold in interstate commerce, leaving it to the States to determine whether or not a particular State shall permit the sale of yellow-colored oleomargarine within the State. There are approximately 18 States that have laws prohibiting the sale of yellow-colored oleomargarine: New York, Pennsylvania, and a good many other States throughout the North.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Is the gentleman going to put the list of those States in the RECORD?

Mr. AUGUST H. ANDRESEN. I shall be very glad to put the list of those States in the RECORD.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from North Carolina.

Mr. REDDEN. I wonder if the gentleman would state the content of margarine and where the products come

from, so that the RECORD may show that, too.

Mr. AUGUST H. ANDRESEN. I will be glad to do that, and I can do it very briefly.

Some years ago when Paul V. McNutt was the head of the Federal Security Agency, which had jurisdiction over the Pure Food and Drug Act, a ruling was made legalizing the manufacture of oleomargarine out of cottonseed oil, soybean oil, and other vegetable oils. That regulation also permitted that oleo could be flavored with a butter flavor so that it would taste like butter. It also permitted the injection of vitamin A in the form of shark's liver oil. So that oleo today under those regulations would appear to have the same nutritive value as butter and taste like butter, and also have the same texture as butter. Of course, those vegetable fats are churned in skim milk. The only thing left is the color yellow, because we have agreed to repeal the tax. That is what the fight is over here, and that is an economic fight.

The metropolitan newspapers and the big magazines of the country are, of course, all on the oleo side. Why? If you have read the papers, and I am sure you have, and seen the large oleomargarine advertisements, you will recall that the Saturday Evening Post last week had a full-page ad by Lever Bros. Lever Bros. bought out the oldest oleomargarine factory in the country, Jelke, of Chicago, and paid \$16,000,000 for it, so they are now one of the big operators. Those of you who are familiar with Lever Bros. know that Lever Bros. is just a subsidiary company of Uni-Lever Co., one of the biggest companies, that operates over the world and controls the price and supply of fats throughout the world. Lever Bros. alone in 1948 spent \$15,000,000 in advertising. The industry itself, as reported in the magazine which represents the advertiser, states that the oleomargarine industry to advertise oleomargarine spent \$6,000,000 in 1947 and in 1948 \$5,300,000. Then they have had millions of dollars worth of free advertising from all the discussions in Congress, debates on radio broadcasts and forums, and favorable news and editorial comment. The newspapers of the country have been the beneficiaries of the funds received for advertising from all the oleomargarine companies, which manufacture and sell oleo as well as other products. I estimate the total amount that the national magazines, metropolitan newspapers and other newspapers have received for advertising is from \$50,000,000 to \$75,000,000 in 1948. I am not criticizing that—not at all. I do not criticize that at all, because that is good business. But I would like to point out the reasons why the metropolitan newspapers and magazines will not give the dairy farmers any publicity. The oleo industry receives all of the favorable news and editorial comment. You now know the reason.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SHAFER. I believe it would be interesting to the membership if the gentleman from Minnesota would also point out that many of these manufac-

turers and others who are interested in this oleomargarine legislation last year made considerable profit as a result of the increase in the market price of the various raw materials used in making oleomargarine.

Mr. AUGUST H. ANDRESEN. I expect to do that when we get to the bill, but I am glad that the gentleman called my attention to it.

Mr. Speaker, as I said, this is an economic fight. I tried to point out to you why the big newspapers of the country are all on the side of the oleomargarine industry. Here is some comment on what appeared in the Washington Post. It says "Once again the Washington Post comes through with a pretty solid editorial to the advantage of the margarine industry. I am sure you will want to pass this along to those interested." I have other letters from the Tampa Daily Times, from a paper down in Tulsa, from the National Citizen—all calling attention to that industry and giving favorable editorial comment. Why? Because those companies spend thousands and thousands—yes, millions of dollars with these newspapers and magazines for advertising.

Of course, we expect that the newspapers and magazines will support the oleomargarine industry in the issue that is now before us. The National Association of Margarine Manufacturers in a report to the soybean industry says, to the second largest customers for soybean oils—nutritious margarine. Then it goes on to say how they are advancing the cause of the soybean people so that they can sell more soybeans for use in oleomargarine.

Let me point out to you again why this is an economic fight. Who will profit most by it? Of course, the oleomargarine industry will profit. We find now that instead of there being 28 large multimillion-dollar oleomargarine factories in this country, that number has been reduced to 24 big oleo manufacturers. They are out now to get legislation to increase the unrestricted sale of oleomargarine colored yellow to imitate butter, and to steal the butter market away from the two and one-half million dairy farmers in the United States, all for the purpose of making more money.

They are using the housewives of the United States and the poor people as fronts to gain their objective. Of course, they are selfish, and of course we here, too have a right to be selfish to protect a large segment of our American agricultural economy, namely two and one-half million dairy farmers.

The historic color of butter is yellow. The oleomargarine industry can take any other color under the sun, excepting yellow, without paying a cent of tax; but they want yellow, to make their product look like butter, to increase their market, to deceive the people, and when they get that color, to go out and capture the entire spread market, because they can sell their product at a lower price.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. EDWIN ARTHUR HALL. Will the gentleman verify the statement I make when I say that for every pound of

oleomargarine produced 11 quarts of milk are lost in production?

Mr. AUGUST H. ANDRESEN. I believe the gentleman is correct. I will discuss that more in detail a little later in general debate.

Of course, the cotton and soybean farmers claim they have a stake in yellow oleo. Every witness who was before our committee from the soybean industry—and a good friend of mine from Minnesota was there in behalf of soybeans, and he said that if they could color oleomargarine yellow and have it sold throughout the country he expected to increase his market for soybeans. Of course, the cotton farmers expect to increase their market for cottonseed oil. The best customers that the cotton farmer has are the dairy farmers of the United States who buy all of their cotton goods, who buy cottonseed meal from the cotton producers of the South. The cotton industry expects that if yellow oleomargarine takes the place of butter it will get a greater price for its product and sell more of it because then it will capture the spread market.

Strange as it may seem, no one from the oleomargarine industry came before our committee to testify as a witness; not a single one. Yet the committee room was filled with lawyers, lobbyists, representatives of the oleomargarine industry, who were there during the entire week of the hearings, but they did not offer to testify in favor of the bill.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. AUGUST H. ANDRESEN. So let me reiterate that this is an economic fight. It is a fight against one industry, an agricultural group in the United States, against the largest segment in American agriculture, 2,500,000 dairy farmers. For myself, if I have to take a choice of going with 24 oleomargarine manufacturers and 2,500,000 Americans who are contributing to the welfare of American life, give me the American dairy farmers.

I have always found that the industries of this country, as a rule, unless they are legislated out of business, will take care of themselves. I have also found that when it comes to charging for the products that they produce they will charge virtually all the traffic will bear, depending upon the competition. When my friend, the gentleman from Illinois [Mr. SABATH], stated that he hoped the oleomargarine industry would not charge more for yellow-colored oleomargarine if they won this battle he does not need to deceive himself. He might as well have his eyes opened right now, because the oleomargarine industry will charge just as much as they can get to move their product.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ABERNETHY. Is that not just what the butter people want them to do?

Mr. AUGUST H. ANDRESEN. Well, they are already doing it. You can buy white oleomargarine in Washington for

22 cents a pound, and you will also pay 43 cents a pound for yellow-colored oleomargarine, which is considerably more than the 10-cent tax.

I urge the adoption of the rule and support for the Granger bill.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was granted permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Speaker, we are discussing a very important piece of legislation today. I am in a very peculiar situation. The gentleman who just preceded me, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], referred to me as the worst New Dealer there is in existence. I ordinarily refer to him as the worst Republican I know of. But on this issue we find ourselves together.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am afraid I did not make myself understood by the gentleman, because I have the highest regard for him, for his ability and integrity in dealing with American problems, and I admire him for the stand he has taken, notwithstanding some of the opposition which comes from the floor of the House. So I want to say to the gentleman that I have the highest regard for him, and if he interprets my remarks as having called him a rank New Dealer, then he misunderstood what I had to say.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I understood the gentleman, and he understood what I said about him. Now, I have not time to yield further.

Mr. Speaker, this legislation has come before the House from the great Committee on Agriculture by a vote of 24 to 3. I do not want to mislead anybody into thinking that that was the division in the committee; it was not. The committee was divided with one exception absolutely on the division of the country on the Mason and Dixon's line; those who were below it were on one side of this question. All of those who were above it, with the exception of one, were on the other side of the question. This ought to indicate to everybody here that it is an economic question.

Mr. Speaker, I wish to say something to my colleagues here. I have always been a New Dealer, I have always been favorable to labor. I have fought side by side with you boys on all occasions who believe in the same things as I do, and on this instance you cannot accuse me of being other than sincere and honest; it is not my intention to put anything over on anybody. Before this debate is over I hope we shall have a clear understanding.

It is going to be said here this afternoon before we get through that my bill is not in harmony with the Democratic platform, that it is not in harmony with

what the President wants. But I want to tell you that I am one Democrat who when he runs with the crowd once in every 2 years does not run out on them the rest of the time.

This plank on the removal of oleo taxes was in the Democratic platform. I was on the Democratic platform committee. This issue was before the committee. There was a very prominent man on the committee, the former mayor of Minneapolis. We knew what we were doing when we adopted that plank and kept out of it the provisions that had to do with color but held in there the provision of removing the taxes, and in harmony with the Democratic platform we are removing all the taxes from colored oleomargarine, certainly I would not argue that it meets in toto, but it does in part, the provisions of the platform; and I imagine that if we go this far in this bill our action will be a pretty good criterion to judge what we will do with the other planks in our platform. I wanted to say that in order to give the background behind this question. It is a provision of the Democratic platform, and I promised the leadership this bill would be brought out of the committee in spite of the fact that we had the votes there to have kept it in the committee.

The SPEAKER pro tempore. The time of the gentleman from Utah has expired.

Mr. COLMER. Mr. Speaker, I yield three additional minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. In good faith, this is what this legislation proposes, and let there be no mistake about it: It prohibits the sale and transportation of colored margarine or margarine colored yellow in interstate commerce. It removes all of the taxes, however, and it sets up a white oleo for transportation. It prohibits the sale and transportation of colored oleo in interstate commerce. It provides that if a plant is located in any State where the law permits its sale, if my bill becomes law, you can sell colored oleo to your heart's content. That would be a matter for the State to determine and that is what this bill does. In other words, it shifts the responsibility back to the States.

The gentleman from Illinois [Mr. SABATH] could pass all of these bills and you could not sell colored oleo in the State of Illinois, you could not sell it in the State of Ohio, you could not sell it in the State of Pennsylvania, you could not sell it in the State of New York, you could not sell it in the State of Connecticut, you could not sell it in the State of Maine, you could not sell it in many other States of the Union. Until those States remove their prohibitory laws, any legislation that we may pass here is absolutely ineffective.

This bill is a compromise. It is not as restrictive as I would like, but it is a compromise and I am willing to go along with the legislation; but I shall oppose the so-called Rivers bill that we had with us before and I will oppose the Poage bill.

I hope the Members of the House will consider the necessity of preserving the great dairy industry that is the last and final bulwark of sustaining and main-

taining the family-sized farms in these United States. If you destroy those you destroy the very last anchor to which this old accustomed agricultural pursuit is tied, one that has been with us for the past 150 years. Anything that will deprive the farmer of the sale of his dairy products is just that much nearer to destroying this great industry.

The SPEAKER pro tempore. The time of the gentleman from Utah has expired.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, it seems to me that we are already getting confused as to what is before the House. This is not a question of what phase of agriculture you are going to help.

There are only two problems, two principles, involved in this legislation. The first is that every citizen of the United States has the right to spend his money to buy any wholesome food product for which he or she wants to spend his or her money. The second is that any citizen who spends his or her money has a right to know that he gets what he thinks he is buying.

The bill, H. R. 3, referred to by the last speaker as the Poage bill, provides for repeal of the taxes and discrimination against the sale of all kinds of margarine and allows the sale of margarine in any color or in any form in any State where the State laws allow it, provided only that it is identified in each individual package or serving. So that with the passage of H. R. 3, and not with the passage of H. R. 2023, would it be possible for the American consumer to buy oleomargarine in any form that he or she wants to, subject to the State laws. Only by the passage of H. R. 3 have you any protection in the world in a public eating place against the serving of margarine as butter. I submit those two things are fundamental. I submit that the 140,000,000 consumers in America have a higher priority on your consideration than have either the butter bloc, the cottonseed people, or the soybean people. I submit that the consumers of America are the people who really have an interest in this question, and I submit that H. R. 2023 denies to the public the right to buy a wholesome food in a form in which the public wants it. I submit that H. R. 2023 denies the public protection to which they are entitled in a public eating place.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, I call to the attention of the House the fact that before dawn yesterday a very destructive tornado struck two communities in my congressional district, killing and injuring a number of people and doing great

property damage. These two communities involve the towns of Canton and Longdale in Blaine County, Okla. I know that all of you join me in expressing sincere regret and sorrow in learning of this disaster and in extending our sympathies to all those who have suffered in any way by reason of this terrible windstorm.

Mr. COLMER. Mr. Speaker, I yield the balance of the time to the distinguished chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, this is an old controversy, one which has existed for more than 60 years. I do not suppose that anything new will be said during the course of this debate.

Back in 1943 our committee held extensive hearings and, at that time, we had 64 witnesses that appeared before the committee and gave statements both for and against the legislation. I think by far a majority of the witnesses testified in favor of repealing the tax. In the Eightieth Congress we had further extensive hearings. At that time 67 witnesses appeared in connection with the legislation. We had before the committee 47 different bills dealing with oleomargarine and Federal taxes on oleomargarine. Now we have before us the Granger bill which does not do what its authors contend it does. The original sponsors of that type of legislation intended deliberately to outlaw yellow margarine in both intrastate and interstate commerce, but because of the fact that they were rather hard pressed for votes in the committee they made a concession and stated that they were willing for their bill to apply only to interstate commerce. But, as a matter of fact the language now in the bill, according to an interpretation placed upon it by the people who will be charged with its enforcement, means that it does apply both to interstate and intrastate commerce.

I understand that the authors of the bill are willing to accept amendments, if necessary, to make the pending bill applicable only to interstate shipments.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Utah.

Mr. GRANGER. What the gentleman has said is true, but we were not hard pressed for votes, we were trying to get together with the rest of the committee and to make it agreeable to them. We had already passed this bill, as the gentleman well knows.

Mr. COOLEY. I understand you had passed the bill, but if you were not hard pressed I do not see how you could have gotten the bill out, because the vote in the committee is no secret, it was 13 to 14 in favor of the Granger bill. That has been published in all the papers. Then when they were going to report the Granger bill, 23 members voted to report it, because they wanted this matter brought to the floor of the House for final determination.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Is it not also true that the Granger bill was materially amended before they were able to get even a 14 to 13 majority vote on it?

Mr. COOLEY. The gentleman is entirely correct.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. Does not the gentleman feel that the greatest bone of contention in this whole issue has been removed from this bill by advocating taking the tax off oleo?

Mr. COOLEY. No; I do not think anything of the kind.

Mr. EDWIN ARTHUR HALL. It was the point of greatest controversy.

Mr. COOLEY. That is no longer in controversy. Everybody concedes now that the Federal tax should be removed.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. On the intent of the original authors, I read from page 601 of the transcript of the RECORD, in which it is shown that I asked the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], "You"—referring to his bill, which was identical with the Granger bill—"would cover intrastate transactions." The record shows that the gentleman from Minnesota answered, "It will cover any oleomargarine that moves in commerce, whether it is interstate or intrastate."

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. There is some question about H. R. 3 on the same point, but may I say to the gentleman, in view of the amendments that were agreed to, that when the Granger bill was offered the gentleman from Minnesota understood that it might be necessary to offer amendments to make it coincide with the intent of the bill, for it to be accepted by the committee. The amendments are here. I have them and the gentleman from Utah [Mr. GRANGER] has them. They will be offered to make the bill coincide with the intent.

Mr. COOLEY. I stated substantially that a moment ago.

The situation before us is this: As I see it, we have three propositions. The first is to adopt the Granger bill, which outlaws yellow oleo only in interstate commerce, and that is all, other than to repeal the taxes, which is provided in all the other bills.

The next proposition is to adopt the Poage bill, which does provide almost every conceivable protection for the dairy industry and for the public at large.

The third alternative is not to adopt either the Granger bill or the Poage bill but to pass a bill which has one purpose, and that is to repeal the tax.

My good friend from Utah said a moment ago that he did not believe in running out on platforms and programs, and he reminded us of the fact that he was a member of the platform committee. The fact is that the Democratic platform

came out for repeal of the tax, and that is where it stopped. Certainly my friend from Utah did not sit in with his colleagues in writing that program and agree with them that he would go before the country on the Democratic platform providing for the repeal of the tax, and at the same time say, "I am coming to Congress, and I am going to outlaw the thing upon which the tax is levied." That is what we are doing. Are you going to vote to outlaw a very wholesome food that is consumed by a large group of our people?

This is not legislation in behalf of agriculture, it is not legislation in behalf of the cotton farmer, and it is not legislation against the dairy farmer. Certainly, coming from an agricultural section, I have the interest of the dairy farmer at heart just as much as I do the interest of the cotton farmer. But this is to remove a nuisance tax, a punitive tax, a discriminatory tax which has been imposed upon this wholesome food product for more than 60 years. The President of the United States recommends the removal of it. Now, who is running out on whom? If I stand here and tell you that I intend to vote to repeal this tax, and everybody here I suppose now agrees that it should be repealed, what has been accomplished if we repeal the tax and then outlaw yellow oleomargarine?

So far as the question of who is running out on whom is concerned, we had consumer groups from practically every city in the country before our committee. There were labor groups, the CIO and the A. F. of L., and every labor organization in America. We had practically all of the consumer organizations and all of the civic organizations.

I wish you had the time to look at the record that has been made. This is not something sponsored merely by a bunch of cotton farmers.

Mr. GRANGER. Why do you not read the record?

Mr. COOLEY. It is all here.

The SPEAKER. The time of the gentleman has expired.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WITHROW. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] A quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 333, nays 9, not voting 41, as follows:

[Roll No. 59]

YEAS—333

Abbitt	Allen, Ill.	Andresen,
Abernethy	Allen, La.	August H.
Addonizio	Andersen,	Andrews
Albert	H. Carl	Angell
Allen, Calif.	Anderson, Calif.	Arends

Aspinall	Forand	Lynch
Auchincloss	Ford	McCarthy
Bailey	Frazier	McConnell
Barden	Fugate	McCormack
Baring	Fulton	McCulloch
Barrett, Wyo.	Furcolo	McDonough
Bates, Ky.	Gamble	McGregor
Bates, Mass.	Garmatz	McGuire
Battle	Gary	McKinnon
Beall	Gathings	McMillan, S. C.
Beckworth	Gavin	McMillen, Ill.
Bennett, Fla.	Gillette	McSweeney
Bennett, Mich.	Golden	Mack, Ill.
Bentsen	Goodwin	Mack, Wash.
Blumiller	Gordon	Magee
Bishop	Gore	Mahon
Blackney	Gorski, Ill.	Mansfield
Bland	Gorski, N. Y.	Marcantonio
Blatnik	Graham	Marsalis
Boggs, Del.	Granahan	Marshall
Boggs, La.	Granger	Martin, Iowa
Bolling	Grant	Martin, Mass.
Bolton, Md.	Green	Mason
Bonner	Gregory	Marrow
Bramblett	Gross	Meyer
Breen	Gwinn	Michener
Brehm	Hagen	Miles
Brooks	Hale	Miller, Calif.
Brown, Ga.	Hall,	Miller, Md.
Brown, Ohio	Edwin Arthur	Mills
Bryson	Hall,	Monroney
Buchanan	Leonard W.	Morgan
Buckley, N. Y.	Halleck	Morris
Burdick	Hand	Morton
Burke	Harden	Moulder
Burleson	Hardy	Multer
Burnside	Hare	Murdock
Burton	Harris	Murphy
Byrne, N. Y.	Harrison	Murray, Tenn.
Camp	Hart	Murray, Wis.
Canfield	Harvey	Nelson
Cannon	Havenner	Nicholson
Carlyle	Hays, Ark.	Nixon
Carnahan	Hays, Ohio	Noland
Carroll	Hébert	Norblad
Case, N. J.	Heffernan	Norton
Case, S. Dak.	Heller	O'Brien, Ill.
Cavalcante	Herlong	O'Hara, Ill.
Celler	Herter	O'Neill
Chatham	Heseltin	O'Sullivan
Chelf	Hill	O'Toole
Chesney	Hlnshaw	Pace
Chlperfield	Hobbs	Passman
Christopher	Hoeven	Patman
Chudoff	Hoffman, Ill.	Patten
Church	Holifield	Patterson
Clemente	Holmes	Perkins
Clevenger	Hope	Peterson
Coffey	Horan	Pfeiffer
Cole, Kans.	Howell	Joseph L.
Colmer	Huber	Pfeiffer,
Combs	Irving	William L.
Cooley	Jackson, Calif.	Philbin
Cooper	Jackson, Wash.	Phillips, Calif.
Corbett	Jacobs	Phillips, Tenn.
Cotton	James	Pickett
Cox	Javits	Plumley
Crawford	Jenkins	Poage
Crook	Jennings	Polk
Crosser	Jensen	Potter
Cunningham	Johnson	Poulson
Dague	Jonas	Preston
Davenport	Jones, Ala.	Price
Davies, N. Y.	Jones, Mo.	Priest
Davis, Ga.	Jones, N. C.	Quinn
Davis, Tenn.	Karst	Rabaut
Davis, Wis.	Karsten	Rains
Dawson	Kean	Ramsay
Deane	Kearney	Rankin
DeGraffenried	Keating	Redden
Delaney	Kee	Reed, Ill.
Denton	Keefe	Reed, N. Y.
D'Ewart	Kelley	Rees
Dollinger	Keogh	Rhodes
Dondero	Kilburn	Ribicoff
Donohue	Kilday	Rich
Doughton	King	Richards
Douglas	Klein	Riehlman
Doyle	Kruse	Rivers
Durham	Kunkel	Rodino
Eaton	Lane	Rogers, Fla.
Eberharter	Lanham	Rogers, Mass.
Elliott	Larcade	Rooney
Ellsworth	Latham	Sabath
Elston	LeCompte	Sadiak
Engel, Mich.	LeFevre	Sadowski
Engle, Calif.	Lemke	St. George
Evins	Lesinski	Sanborn
Fallon	Lichtenwalter	Sasser
Felghan	Lind	Scott, Hardie
Fellows	Linehan	Scott,
Fenton	Lodge	Hugh D., Jr.
Fernandez	Love	Scrivner
Fisher	Lucas	Scudder
Flood	Lyle	Shafer

Short	Taylor	Wheeler
Sikes	Teague	White, Calif.
Simpson, Ill.	Thomas, Tex.	Whitten
Simpson, Pa.	Thompson	Whittington
Sims	Thornberry	Wickersham
Smathers	Tollefson	Wier
Smith, Kans.	Towe	Wigglesworth
Smith, Va.	Trimble	Williams
Smith, Wis.	Underwood	Willis
Spence	Van Zandt	Wilson, Okla.
Staggers	Velde	Wilson, Tex.
Steed	Vinson	Winstead
Stigler	Vorys	Wolcott
Stockman	Wadsworth	Wolverton
Sullivan	Wagner	Wood
Sutton	Walsh	Woodhouse
Taber	Walter	Worley
Tackett	Welchel	Yates
Talle	Welch, Calif.	Young
Tauriello	Werdel	Zablocki

NAYS—9

Byrnes, Wis.	Miller, Nebr.	Secrest
Curtis	O'Hara, Minn.	Wilson, Ind.
Hull	O'Konski	Withrow

NOT VOTING—41

Barrett, Pa.	Hoffman, Mich.	Powell
Bolton, Ohio	Jenison	Regan
Bosone	Judd	Sheppard
Boykin	Kearns	Smith, Ohio
Buckley, Ill.	Kennedy	Somers
Bulwinkle	Kerr	Stanley
Cole, N. Y.	Kilwan	Stefan
Coudert	McGrath	Thomas, N. J.
Dingell	Macy	Vursell
Dolliver	Madden	Welch, Mo.
Fogarty	Mitchell	Whitaker
Gilmer	Morrison	White, Idaho
Gossett	Norrell	Woodruff
Hedrick	O'Brien, Mich.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Barrett of Pennsylvania for, with Mr. Stefan against.

General pairs until further notice:

Mr. Gossett with Mr. Macy.
 Mr. Welch of Missouri with Mr. Hoffman of Michigan.
 Mr. Gilmer with Mr. Jenison.
 Mr. Regan with Mr. Kearns.
 Mr. Stanley with Mr. Woodruff.
 Mr. Morrison with Mr. Cole of New York.
 Mr. Whitaker with Mrs. Bolton of Ohio.
 Mrs. Bosone with Mr. Smith of Ohio.
 Mr. Madden with Mr. Judd.
 Mr. Kennedy with Mr. Coudert.
 Mr. McGrath with Mr. Merrow.

Mr. WITHROW and Mr. WILSON of Indiana changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2023, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I spoke briefly, when the rule was under consideration, and referred at that time to the fact that the Democratic platform provided for out-

right repeal of taxes on oleomargarine. I do not want the membership of the House to feel for one moment that I regard this issue as a partisan issue. The truth is that it is entirely nonpartisan. I suppose that the authors of at least half of the bills—47 in number—which were referred to our committee, are members of the Republican Party. The same thing was true in the Eightieth Congress. Out of the number of bills at that time, half came from each side of the aisle.

With reference to the bill before us now, I would like to read this paragraph from a letter which I received signed by Mr. Roger W. Jones, assistant director of legislative reference, from the office of Mr. Oscar R. Ewing, Administrator of the Federal Security Agency.

The paragraph reads, as follows:

Enactment of section 3 of H. R. 1703, and the identical bill H. R. 2023, prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine, except the use of yellow oleomargarine in private homes, would virtually nullify the effect of repealing the tax on oleomargarine. Consequently these prohibitions are not in accord with the program of the President.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. No doubt that letter was written before the committee acted on H. R. 2023. The gentleman does not know the date of that letter, but the legislation has been changed since that letter was written.

Mr. COOLEY. The letter was written after the Granger bill was reported. The Granger bill has been changed in part, that is true, but I want to refer to another paragraph in this letter. I might state that the letter itself indicates clearly that the Administrator will regard the bill as being applicable to both interstate and intrastate shipments and sales of oleomargarine. Under the bill which is before us, no protection is provided for the public against possible fraud. I want to say to the membership of the House that I have many constituents engaged in the dairy business. I have many close personal friends in that business. I want to say further I was proud of one witness who appeared before our committee, who came from North Carolina. I am proud, further, of the fact that dairy herds are now being grazed in the State of North Carolina 365 days of the year, and further that it is not necessary to artificially color butter which is manufactured in North Carolina. The truth is, I am anxious to provide every protection for the public against fraud growing out of the sale of oleomargarine.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. In just a moment I will yield.

I met with the dairy men of North Carolina in the city of Raleigh before I came to Washington and discussed this proposition with them. I told them they might as well accept the fact that this tax was going to be repealed, and they agreed. Then they put forth the proposition that the sale of yellow oleomargarine should be outlawed both in intrastate and interstate commerce. I told

them that in my opinion the Congress of the United States would never take such drastic action as that, but that I was perfectly willing to provide every possible protection to prevent fraud upon the public.

The Poage bill contains just about every possible protection you can conceive, whereas the Granger bill does not even purport to prevent fraud. It does not purport to protect the public. It only makes it unlawful to ship yellow oleomargarine across State lines, but once it is across the State line, there is nothing in this bill to prevent it being sold as butter.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Chairman, I yield myself two additional minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MURRAY of Wisconsin. I would like to ask my distinguished chairman, realizing the statement he has just made, how he can take that position when for 25 years we have had the so-called filled-milk law on the statute books, which does the same thing and gives the same protection to the evaporated-milk people that the Granger bill does to the butter people? The Federal Government does not have the responsibility of seeing whether the people in those States who use filled milk are defrauded or not. It is left to the people of the States that make it—that is Indiana and Illinois.

Mr. COOLEY. We are not dealing now with filled milk. We are dealing with oleomargarine.

Mr. MURRAY of Wisconsin. But the same principle applies.

Mr. COOLEY. The same principle may apply, but the matter before us to determine is whether or not we are going to enact a Federal law making it a crime for the housewife to transport yellow-colored oleomargarine across a State line. Should oleo be put in a category along with narcotics, liquor, and other products of that kind?

Mr. MURRAY of Wisconsin. Well, put it in the same category as filled milk. Would the gentleman repeal the filled milk law?

Mr. COOLEY. I am not taking any position on that right now. I am willing to consider the matter when the gentleman brings it before the committee.

I wish I had time to read these letters pertaining to the legislation now under consideration, but I will ask permission to incorporate them in my extension of remarks.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I rise in support of H. R. 2023, a bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

In the Eightieth Congress I became deeply interested in the dairy industry's

fight against unfair competition. This was natural, as the Twenty-ninth Congressional District of New York, which I have the honor to represent, is one of the largest dairy districts in the great State of New York, and for that matter in the Nation.

The total value of the dairy products sold in the Twenty-ninth District of New York was \$244,060,082 in 1 year. In other words, the dairy industry is by far the largest industry in the district and any loss that it suffers and any falling off in its revenue will have an immediate effect on every merchant in the district, including the grocer who sells oleomargarine.

It has been said, and with some reason and logic, that it is unfair to tax colored oleo, that it is unfair to the poor man who cannot afford butter, but who likes to have colored margarine because he can then kid himself that it is butter.

Of course, we live in an age of substitutes, and, although there is a well-known advertisement that says, "It's fun to be fooled, but it's better to know," most of us much prefer to be fooled.

Now, this bill repeals the tax on oleomargarine entirely, but insists that it be uncolored; that it be sold for and looking like what it is, and what its proponents claim it is—pure virgin white, without any taint of animal fat—that horrid thought. Well, what is wrong with that? What is wrong with pure white, unadulterated, uncolored margarine? The answer is, nothing at all, unless—and here suspicion raises its ugly head—unless it is desired to pass oleomargarine off as butter.

This is an easy thing to do, and it is being done in hotels, schools, and institutions all over this country at this very moment.

The opponents of the bill have come up with the highly unoriginal suggestion of having a law passed that would oblige any public eating place serving oleo to have a conspicuous sign announcing the fact to the customers. How would this law be enforced? Maybe some of you can remember the prohibition era. It would be enforced by appointing another board or commission paid for by the taxpayer, and incidentally the dairy farmers, under the executive branch, of course. This would create another regiment of Federal bureaucrats who would snoop around to see that the law was enforced.

I need hardly tell you that these bureaucrats would have their friends and their enemies, some of them in vulgar political parlance could and would be reached. We would have nothing but an expensive exhibition of confusion worse confounded.

This simple measure obviates all this. It prohibits the movement of yellow oleo in interstate commerce. It removes all Federal taxes, and best of all, it permits the States to regulate oleo manufacture and sale within their own borders. Some of us are jealous of States' rights; I confess to a slight leaning toward that school of thought. Some of us want to get away from everlasting bigness, the impersonality of size, the octopus-like quality of it. Some of us believe we can

conduct our own business better than the Federal Government can conduct it for us. Some of us would like to be allowed to go to perdition in our own way, but that is probably too much to ask.

Just the other day it was announced that the Government had to support butter prices in Minnesota at 59 cents per pound, so the industry is now beginning to feel the depression that is beginning to appear in many places.

It will be a sad day for this country and the world if our cow population diminishes further and the dairy industry goes into a real decline.

This bill is not asking for any appropriation. It is not hurting or preventing the sale of margarine which we acknowledge to be a good, healthful, cheap substitute.

All it does is prevent the butter industry from having to fight unfair competition. The price of butter is always going to be the key to the prosperity of the dairy industry, because it is the only economic way of storing milk in the flush season. All milk prices are inevitably tied to the price of butter.

Mr. Chairman, this is an eminently just and fair bill; it is reasonable; it brings this question down to the State level where it belongs. It merely protects the great dairy industry from unfair competition, the only kind of competition that can destroy it.

We heard a lot on the floor of this House yesterday about Hungry Horse. Mr. Chairman, it will be a sad day for this country when this House hears about hungry cows.

Mr. COOLEY. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, something was said today about the Democratic platform. I want to tell the members of the committee that the plank in the Democratic platform which proposes repeal of the Federal antimargarine tax means just what it says. I think I know something about that plan. I was a member of the drafting subcommittee that drafted the Democratic platform as a member of the general committee on platforms and resolutions. We conducted a week of hearings on that platform, and we heard many tell us their views on the oleomargarine situation. The proposal on margarine that we drafted meant repeal of the Federal antimargarine legislation—repeal of license fees and taxes. Nothing more was said about it. There was no thought of substituting a ban on the manufacture and sale of yellow margarine in interstate commerce or of putting any other restriction on margarine in lieu of taxes. Those who now argue that the administration would be breaking faith with Midwest farmers or any other farmers if it goes ahead with repeal of the taxes on margarine, evidently do not know what went on at Philadelphia when the Democratic platform was drafted.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Utah.

Mr. GRANGER. It is true the gentleman was on the original platform com-

mittee, but certainly he was not on the last committee when we worked until 3 o'clock in the morning on this plank in the platform and I challenge the gentleman to read what the platform says.

Mr. CELLER. Mr. Chairman, I do not want to enter into any controversy with the gentleman. I was in Philadelphia and attended every single solitary meeting of all committees concerning the drafting and the acceptance of the platform before it was placed before the rank-and-file Democratic delegates from throughout the Nation in Convention Hall. I defy the gentleman, for whom I have the most profound respect, to point to a single word in any of the deliberations whatsoever which indicated by even a fair inference that the Democratic platform said anything other than just the repeal of the taxes on oleomargarine. It certainly said nothing to the effect that colored oleomargarine shall not be permitted to go into the stream of interstate commerce and anyone who argues to the contrary flies in the face of the actual facts. I am more than happy to be here this morning to indicate the exact situation. All that was done was to say in that platform, "Repeal the tax." All this other business dragged in here is a facade to hide the shenanigans of the dairy interests. They now, when cowed and licked, belatedly come out and say, "Yes; we want to repeal all of the taxes on yellow oleomargarine, but prevent yellow oleo from crossing State lines." How silly. If yellow oleo is good in intrastate commerce, why should it, ipso facto, be treated as poison, and thus verboten, when shipped across State lines. If yellow oleo is good for John Q. Public in New York, why should it not be sent without hindrance into New Jersey to GI Joe?

If oleomargarine in one State is wholesome and pure, nutritious and good, by what sort of abracadabra does it become just the reverse when it is shipped into another State? That does not enter my cranium as common sense and I cannot conceive of it being logical. Therefore the pending bill is a farce. It is a smoke screen to protect improperly the American Dairy Association and the like.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. As one of the distinguished Members of this body for many years, and being now chairman of the Judiciary Committee, may I ask the gentleman if he would be willing to repeal the law in connection with filled milk which is based upon the same principle?

Mr. CELLER. One has nothing to do with the other. We are concerned with oleomargarine, not with milk. I will say this, not necessarily in direct answer, because the question is utterly irrelevant, incompetent, and immaterial, as they say in court, if you are going to place penalties upon the use of colored oleomargarine then let the sauce for the goose be sauce for the gander. You know, you gentlemen from the dairy States, that you must color butter, especially in the wintertime.

Mr. MURRAY of Wisconsin. Oh, no.

Mr. CELLER. Oh, yes, sir; in the wintertime you color butter. Because of the inability of the cattle to eat the grass, the green of which makes the butter yellow, you come to the inescapable result that fully 80 or more percent of the butter made in the wintertime must be colored. Now I ask you, if you are going to color oleomargarine, and then compel it to bear a penalty, why should you not put the same penalty upon butter when it is colored? That puts the shoe on the other foot.

Mr. MURRAY of Wisconsin. Will the gentleman allow me to answer?

Mr. CELLER. I know from my slight experience—I am not an expert—that when the cattle have to eat the straw and the silage, I think it is called, corn from the silo—maybe I am a little wrong in that, it matters not—the point is that they cannot eat grass, and therefore the butter is now yellow; it is straw-colored, and you add coloring. Now you are being hoist by your own petard and you cannot take it. Therefore, I say you should not put a penalty on oleomargarine, or put any kind of restriction on it so that when it enters interstate commerce it shall be taboo.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Utah.

Mr. GRANGER. I wish the gentleman would tell the House why it is that the State of New York only recently, in the last legislature, did not think oleo was so good, and that it absolutely prohibits the sale of colored oleomargarine in the State of New York.

Mr. CELLER. I do not say that New York State is perfect by any means. We make mistakes there, too, especially at the behest of the Dairymen's League. It is inconceivable that we continue to permit an edible commodity to be directly taxed by the Government for the purpose of keeping down its sales, and pushing another product—butter. Remember the license fee and taxes are passed on to the consumer.

It is time to call a halt to this licensing and tax and repeal the sanctions against a wholesome, inexpensive article of diet and thereby support the housewives who are making a valiant effort to meet budgetary needs against the shrinking dollar.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I would like to say first that I am sorry to have to take this stand as a Member of one of the greatest committees in this House, probably the most important, even more important than the Committee on Appropriations, because you would not have anything to appropriate if it were not for the agricultural products of this Nation, and that is not a foolish statement. I am sorry to appear today before this House and find no printed hearings. It is not my fault. I corrected all of my remarks right up to the minute, and I say

to every Member that whenever the clerks or secretaries sent reports into my office, they are immediately corrected and returned, and here we are today, without a single report of the testimony of a single man or woman that you can sit down and read and learn as you read what these witnesses told our committee. And that is important, ladies and gentlemen, and if I have time this afternoon I would like to analyze the testimony of those witnesses before our committee, wonderful statements, people who have been in the dairy industry all their lives, right from the chairman's own State of North Carolina, where they expect to keep their boys and their girls and the families—all in the dairy business. Yet, we find not a single line of testimony available for the Members of this whole committee to read this afternoon. The only sign I have seen of testimony is in the hands of the opposition.

Now, then, to state the issue just as simply as I know how.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I will certainly yield to my chairman because I am not criticizing him in any sense; he is a great chairman.

Mr. COOLEY. Do we have any documents here that the gentleman would like to have?

Mr. HILL. I have them.

Mr. COOLEY. I have documents of two former hearings here, and the gentleman knows full well why those hearings were not printed.

Mr. HILL. The gentleman can take his own time to answer the question. But here is a gentleman sitting over there wanting to read the testimony, and he cannot find them. Do not put them under my nose, because I have read them all. I know what the witnesses said; I know how the witnesses answered the questions. When opposition witnesses came before the committee, did they speak up forthright and talk the way I am talking? They did not.

Let me state the issue this afternoon.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. SHAFER. Were there any representatives of the oleomargarine industry before your committee?

Mr. HILL. They were before the committee continuously, on the back row, listening to everything that was said, but they offered nothing to the committee by way of real, constructive thinking. Just think of that, will you?

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. GRANGER. The gentleman recalls that when we reported this bill out the halls were filled with oleo people with cameras to take pictures of the people who were going to bring out this bill, but they did not use them. Does the gentleman know that 10 minutes after we reported out this bill the oleo people and the National Association of Manufacturers people were there trying to write the report of this committee?

Mr. HILL. I will say to the gentleman from Utah, and I think I am correct—if I am wrong I will withdraw my remarks—that when this committee voted this bill out it voted it out 24 to 3. That does not sound as if we were very much divided.

Let me state the issue. What is the issue this afternoon? The issue is very simply stated. Every man on our side agreed that we should support the overall removal of all taxes, and also any other form of licenses on the statute books concerning oleo. What could be more fair than that? We want the taxes removed, every one of us. I expect to tell all my people I am in favor of removing all the taxes from oleo. Is that what our bill does? It is.

What is the issue, then? The only issue is whether you want oleo sold as butter, and as to that I am going to see that every man stands up and is counted. This is the story. Do you want oleo sold as oleo, or do you want it sold as butter? It is up to this committee this afternoon to make up its mind. When the final vote comes, that is exactly what you are going to do. That is the issue that is before us now. It is not a question of taxation.

This afternoon you are going to hear those opposed state they are opposed to taxes on oleo. That is not the issue. We are all supporting the removal of the Federal tax. That is the first thing the gentleman who preceded me started to tell you, when he spoke about farming on the streets of New York. I did expect him to say that but I do not expect anyone from Texas to say that, nor from North Carolina.

Let us look for just a moment at the dairy industry. How important is the dairy industry to every man and woman here this afternoon? Let me ask, first of all, how important is it, and I will answer. There is none but expects to leave children and grandchildren to populate our Nation. Strong, virile men and women that are willing to stand up for the principles of democracy we talked about yesterday in the great city of Philadelphia where our leaders wrote the various documents setting out the way of life which is America. It is a great history, revolutionizing the relation of man to his Government. This afternoon you say you are going to support a synthetic food just the same as if it were a natural food, and say to the boys and girls that will follow us, "Maybe you will have bone and muscle and sinew to do the things we have to do to be the leaders of the world." I cannot follow any such philosophy.

There is not a single bit of testimony anywhere that proves to any mother or father that they can feed their children oleo and make professional football or basketball players out of them or strong men and women to leave behind them to carry on the difficult battle of right in this world. That is what we are talking about.

If I had the time this afternoon I would analyze just one man's testimony and I could show you by his statements that this might accomplish two most terrible things, the destruction of the fine physical and mental qualities of the boys and

girls of this Nation, and finally, wash away the topsoil and impoverish future generations.

I will take any dairy section in the United States—and I do not live in such a section—and compare it with any other section in the United States. The record will show that they are over 100 percent plus, so far as living conditions are concerned and so far as the type of men and women, the boys and girls in those communities.

They are as high as 138 percent. Then you say here this afternoon that you are going to be a party to the destruction, or the beginning of the destruction, of such an industry as the dairy industry. My good chairman, whom I love—and this is no foolish or exaggerated statement—had a friend appear before our committee. The testimony he gave to our committee was bright and happy. He told us how he started out a few years ago by buying 100 gallons of milk a day. Now he buys thousands and thousands of pounds of milk per day from the farmers of North Carolina. That is not all he said.

When we questioned him as to whether the dairymen made money and intended to stay on the farms, whether they intended to keep their boys and girls on the farm, we discovered that North Carolina was one of the finest States in the Union in which to bring up a family. Yet you expect to cast a vote to help destroy the very industry that makes North Carolina great. Why, it is ridiculous.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. I wish to ask the gentleman about the witnesses who appeared before the committee. Did any of the manufacturers of oleo products appear before the committee and subject themselves to cross-examination?

Mr. HILL. As I recall, they had an attorney. I would like to analyze his testimony if I had the time.

Mr. CRAWFORD. I would like to get technical about this now. Did any of the manufacturers appear before the committee? I think the Members will be interested to know.

Mr. HILL. No manufacturer came before the committee.

Mr. CRAWFORD. Outside of the attorney, what type of witnesses appeared?

Mr. HILL. I will have to admit that most of the witnesses were the dairy people. They were interested in coming before the committee and giving their testimony.

Mr. CRAWFORD. I mean what type of witnesses appeared in support of the bill to permit the interstate movement of colored oleo—who supported that proposition before the committee?

Mr. HILL. I cannot recall anyone who supported it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. Those who appeared before the committee were the attorneys for the Wholesale Food Manufacturers' Association, the attorney for the Retail Merchants' Association. We also had the representative of

the League of Women Voters, the Jewish Council, and a few other organizations.

Mr. CRAWFORD. But no manufacturers?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HILL. Mr. Chairman, may I have five additional minutes, as I would like to answer these questions.

Mr. HOPE. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. For some 15 years before being elected to the House, I was a manufacturer. I was continually fighting with my associates on the proposition that the manufacturer himself should appear before these committees.

Mr. HILL. They certainly should.

Mr. CRAWFORD. They should appear before these committees themselves, so as to inform the committees of what is going on in the manufacturing field. I found out then and that situation still exists, all through the manufacturing fraternity, that there is a reluctance to appear before congressional committees, and there is always a design to put up some front. That is not smart business. I want to get that in the record, with regard to this particular case. There is no reason why a manufacturer should not submit himself to cross-examination before these committees. Unless they do that, you do not get the facts on these cases.

Mr. HILL. From the testimony before our committee, we discovered that 65 percent of all the oleo made in this country is made by five companies.

Now, let us get back to the question of how important the dairy industry is to this country. There is not a man or woman on the floor of the House today—be they Democrat, Republican, New Dealer, or with Communist leanings, or any other type—who would do one single thing to bring about a depression. But let me say this, that we may be making the very move here this afternoon, which will bring about our next most destructive depression that we could ever have. If you take 2,000,000 dairy cows off the market in the next 6 months, and thus take off the market all the milk which is made into butter, you will bring to agriculture a depression that will make the first depression in agriculture in the twenties look like a celebration. That is not all I have to say.

I will get some more time on this when the bill is being read for amendment under the 5-minute rule. I want to tell you what the dairy industry means to this Nation of ours, which we are placing in jeopardy this afternoon by supporting such legislation that is proposed by the gentleman from Texas.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I believe that my good friend from Colorado [Mr. HILL] wants to be fair when he addresses you from the well of this House. He stated a moment ago, in answer to a question by the gentleman from Michigan [Mr. CRAWFORD], that no one

interested in margarine as such appeared and testified in support of repeal of the antioleomargarine laws.

I want to read to the Committee a list of the witnesses who appeared in support of such. The following witnesses appeared:

Mr. Harold O. Smith, Jr., executive vice president of the United States Wholesale Grocers Association.

Mr. J. W. Calland, managing director, National Soybean Crop Improvement Council, of Decatur, Ind.

Mr. John W. Evans, vice president, American Soybean Association, Montevideo, Minn.

Mr. C. M. Gregory, manager, Farmers Cooperative Co., Dike, Iowa.

Mr. Lewis G. Hines, representing the American Federation of Labor.

Mr. Robert C. Jackson, Washington representative, National Cotton Council of America.

Mrs. Margaret S. Manager, national chairman, American Home Economics Association.

Mr. Robert Lamkin, representing Association of American University Women.

Mrs. Harvey W. Wiley, legislative chairman, District of Columbia Federation of Women's Clubs.

Miss Nancy Holland, representing Friendship House.

Mrs. Jean Whitehill, Consumers Union of United States.

Mr. Tyre Taylor, representing National Association of Retail Grocers.

Mr. Ralph Wells, a soybean processor.

Mr. Donald M. Cresswell, representing Pennsylvania Secretary of Agriculture.

Mr. Donald Montgomery, representing the CIO.

Mr. Clifford Patton, representing the National Association of Consumers.

Several Members of Congress, and many others. Furthermore the record was filled with statements, letters, and resolutions in support of our bill and in opposition to the Granger bill.

Incidentally, I hold here a statement issued by the dairy people a few days ago which enumerates some of the witnesses who supported our bill and oppose the Granger bill.

The margarine witnesses were, according to this dairy paper, the Washington lobbyists for the American Federation of Labor; five representatives of professional consumer and women's organizations; one consumers' representative of the CIO United Auto Workers; three representatives of soybean associations and soybean growers; one soybean processor; one Washington representative of a cotton promotion organization; and one representative each from the National Retail and Wholesale Grocers' Association.

So I suggest that when the gentleman leaves the impression that no one appeared in support of outright repeal of all antimargarine laws, he is in absolute conflict with the record.

Mr. Chairman, the people of my district and the whole South have a great interest in this fight.

The Fourth District of Mississippi, which I am privileged to represent, consists of 10 hill counties. Most of the 201,000 people within the district live in the rural areas and obtain their living

from the farms, a vast majority of which are of the family type. Their major crops and sources of income are cotton, cattle, milk, and grain. The present administration and the Department of Agriculture have geared their policies and programs in the particular interest of this type of farmer. Cotton is by far their major cash crop, and, as I shall point out, cottonseed is all-important to them.

From time to time I have heard statements that the cotton farmer had little direct interest in the margarine fight and that its importance to the Cotton Belt had been exaggerated.

In my considered judgment, the margarine issue is a vital one to the cotton producers. Anyone familiar with cotton growing knows that cottonseed is particularly important to the person in whom we all profess a great interest—the little man, the poor man, whether share cropper, renter, or owner.

Few cotton producers, even the wealthiest and most affluent ones, finance the crop. They borrow money each year to raise cotton. The larger operators get capital from the bigger banks; the smaller ones from the small banks, from merchants and from the more fortunately situated producers.

The crop is mortgaged, but in the case of the family-type farmer, the share cropper, and small operators, one portion of the crop generally is left untouched by the mortgage. This portion is the seed. This is a matter of habit and custom, a part of the ritual of producing the South's greatest crop. In bad years this frequently is all the small farmers have left after they have grown the cotton and have paid the expenses of making the lint and seed.

That is why the seed, while approximating only one-fifth the value of the crop, is so important to the little man—the man we say we all wish to help.

The seed then in the case of hundreds of thousands of farmers assumes an importance all out of proportion to its value as compared to the rest of the crop. It has been said, in testimony before the House Agriculture Committee in the past, that the price of seed is a more controversial subject and has more direct influence on the welfare of the attitude of the cotton producers than even the price of cotton.

I am in agreement with that statement.

Cottonseed, as many of you know, derives its monetary value from four uses—oil, meal, hulls, and linters. However, in market value the oil is worth more than the other three products of cottonseed combined. On the average, I would say, oil is a little more than 50 percent of the value of cottonseed.

The oil from cottonseed is consumed almost entirely as human food. Generally speaking, more than 90 percent is used to feed people. Cottonseed oil goes into shortening, into margarine, mayonnaise, salad oil, and salad dressing.

The two primary uses of cottonseed oil are in shortening and in margarine. The latter's importance as a market for oil has increased steadily, until now it is ahead even of shortening. For example, of all cottonseed oil used in 1938, short-

ening consumed about 63.4 percent, margarine only 8.6 percent. In the January to September period, 1948, approximately 35.3 percent of the cottonseed oil used went into margarine, about 21.8 into shortening.

This shift in uses has not been due to any decline in the volume of cottonseed oil used in shortening. The amount of cottonseed oil going into shortening actually has increased but the amount employed in margarine has increased at a much greater rate.

The 1948 production of margarine is estimated at 900,000,000 pounds. Back in 1940, only 8 years ago, only 320,000,000 pounds of margarine were produced.

I do not need to detail to you the long history of Federal antimargarine legislation. The first act aimed at margarine became law in 1886, a second in 1902, and the third in 1931.

Before the passage of the 1886 law, estimates of the consumption of margarine were as high as 200,000,000 pounds annually. This consumption dropped to 20,000,000 pounds in 1887.

In 1902, when the second Federal antimargarine bill went through, per capita consumption of margarine was estimated at 1.6 pounds per capita. A year or two afterward, consumption had dropped to one-half pound per person.

After enactment of the 1931 act, the consumption of margarine dropped from about 2 pounds per capita to 1.6 in 1932.

Whatever their failure then from a long-time standpoint, the antimargarine laws did succeed for a time in their objective—a reduction in the consumption of margarine.

In so doing, inevitably they reduced the price for cottonseed oil. There is no way of estimating the effect upon the price for this oil. We know, however, that over the years the Federal and State antimargarine laws have taken millions upon millions of dollars from the pockets of the South's cotton producers. Within recent years, as soybean oil began to be used in margarine in large quantities, this legislation likewise reduced the price of soybean oil and hit directly at the pocketbooks of the soybean producers.

Likewise, since the food oils are interchangeable to a large degree, the antimargarine statutes have lowered the price of peanut oil, corn oil, and the other food oils.

I do not need to point out to you that a comparatively small surplus in fats and oils oftentimes exercises a disproportionate effect upon prices. Also, a small deficit in supply can exercise a disproportionate effect upon price. I could compare these effects to the oftentimes thin line which lies between solvency and insolvency.

During the war, this country greatly increased its production of domestic fats and oils. We are confronted with the grave problem of finding a market for these oils. Already, prices for domestic fats and oils have dropped sharply. If 453,000,000 pounds of cottonseed oil had not gone into margarine in 1948 and also large quantities of soybean oil, prices of domestic fats and oils would be ruinously low.

The producers of all domestic fats and oils, including lard, should insist that there be no restraints upon domestic markets for domestically produced fats and oils. If, for example, the price of cottonseed oil and soybean oil declines the price of almost all other fats and oils fall with them.

I would hesitate to predict the effect of a total ban upon the manufacture and sale of yellow margarine upon the consumption and the prices for cottonseed oil and soybean oil.

Certainly, the butter interests feel that such a ban would reduce the consumption of margarine. That is why they are supporting such legislation and why they have supported other antimargarine laws in the past.

If the color ban is enacted, we can look forward to an intensification of the difficulties in which the producers of cottonseed oil, soybean oil, and peanut oil find themselves.

Much has been said here about the possible affects upon the dairy industry of the repeal of Federal and State antimargarine legislation.

In view of the fact that butter is the least profitable use of milk and that the country stands greatly in need of expanded uses for whole milk, cheese, and ice cream, I think the statements about danger to the dairy industry are unwarranted.

But if we are to discuss seriously possible damage to the dairy industry, what about damage to the cottonseed industry, the soybean industry, and the peanut industry from the ban on yellow margarine?

Butter's pleas, if they are examined impartially, are simply please not to be forced to compete fairly and squarely with the products from the other American farms.

The drop in dairy prices is pointed out and stress put upon the decline. What about the drop in the prices of cottonseed, of soybeans, and of the other products which produce the fats and oils that go into margarine? Aren't the farmers who raise cotton, the lowest income group in the United States, to be considered? Has not the time come to remove the burden placed upon them by unfair laws? Do they not deserve consideration? Are we to remove the taxes on margarine but to ban yellow margarine entirely?

What does the proposal to remove these taxes but to ban yellow margarine mean? It means removing the taxes, so far as yellow margarine is concerned, on a product that it outlawed. In other words, the butter interests say, remove the taxes on yellow margarine but ban it completely. Anyone can see that a ban on yellow margarine is much worse than the 10-cents-a-pound tax which now exists. The proposal from the butter lobby is not a compromise. It is an attempt to damage margarine more than other punitive laws have damaged it in the past.

Butter and oleomargarine are competitors. Both are products of the farm. I believe that every Member of this House wants to be fair. I cannot believe that any of us accepted our seats in Con-

gress for the purpose of securing or maintaining an advantage of one farm product over another farm product. We are charged with the duty of treating them with equal fairness. To favor one industry by restricting another is not, in my opinion, compatible with democracy nor is it in the best interest of all business as a whole, or of the American people. It is just as contrary to the American system of free enterprise to legislate for American-produced butterfat as against American-produced cottonseed and soybean oil, the basic element of oleomargarine, as it would be to legislate for American-produced cotton fiber as against American-produced synthetic rayon fiber. Rayon is a competitor of cotton. It has come on the market in a system of free enterprise. It is a serious threat to the thousands of farmers who grow cotton. Yet no Member of Congress from the Cotton Belt has to my knowledge urged or offered punitive legislative measures against the rayon industry. That, however, is exactly what the Congress tolerates in the case of butter as against oleomargarine.

As a Representative of a district which has a flourishing cotton industry and a flourishing dairy industry, I want to be fair to both. If I am to be fair, if I am to do my duty as I see it, I cannot consent to the continuation of an injustice inflicted upon those least able to bear it—the cotton farmers of the South and the Cotton Belt of the Nation.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. HOPE. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I am sorry that my genial friend, the gentleman from Mississippi [Mr. ABERNETHY] was not listening when I was speaking, because I made no such statement. I said no manufacturers of oleomargarine appeared before our committee. That is exactly what I said, as the RECORD will show. Of course I call your attention to how many cotton people appeared and all of those who were paid by the oleomargarine people to come and make their testimony.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. My whole point was based on manufacturers of oleomargarine, and not these other miscellaneous witnesses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, it is absolutely impossible to handle a subject like this in 5 minutes. If I had 20 minutes' time I would nail this thing so tight to the floor you could not pry it up with a crowbar, but I have not got time. I want everybody in this House who believes that the poor woman shopper of the United States ought to be allowed to buy a cheap spread for her bread to vote for the Granger bill, and

here is why: As long as there is white oleo for sale in the United States she can buy it cheaper than butter; as soon as the oleo people get the chance to make oleo yellow and sell it without any restriction all over the United States, it will cost more than butter and it will rob that poor woman who is pinched by her budget of the opportunity to go and buy a cheap spread to put on the bread for her children. I can prove it, and I will tell you how you can prove it. Go to the grocery store around the corner and price 3 pounds of vegetable oil, and you will find it will cost \$1. Price 3 pounds of hog lard, the best shortening and frying fat the world has ever produced, and you can buy it for 50 cents. How did the vegetable-oil manufacturers bring that about? By advertising that if you eat vegetable oils and do not eat lard you can retain that boyish and girlish figure. They forgot the fact that the vegetable oil fattens the hogs that make the lard. Is that ridiculous, or is it not?

They say this is an economic question; it is no such thing. It is not an economic question; it is a soil-conserving question and nothing else in the world. I stand before you this evening proposing that you make a spread for the Nation's bread out of bluegrass and timothy, lespedeza and sweet clover, alfalfa, and red clover and white clover; that is the kind of farm products I want to make butter out of. What are they? They are the soil-conserving crops of this Nation. I can sell a thousand dollars worth of butter off my dairy farm and have just as good a farm as I had before I sold the butter; but you sell a thousand dollars worth of soybeans, of cottonseed, of peanuts, off your farm, and you have sold a definite part of your farm. There is no way that you can avoid it. Ride over your farming country and look at the soybean land, see how it has washed away. I have stated in this House before, and I know it to be a fact—I yield to no man in this House or anywhere else when it comes to soil conservation and what will build up soil and what will destroy it; I have watched it and worked with it for 50 years, and I know all there is to know about it. I know it first-hand; I did not learn it on the streets of New York. New York is a great city, but how long would it last without soil? In one week, denied the products of the soil New York City would be in dire distress; in 1 year it would be a ghost town in ruin; that is what would become of New York. When you chase the dairy farmer out of business as the oleo manufacturer intends to chase him out of business by counterfeiting his product and ruining his market—and the gentleman who favors the Poage bill stood here today and would not say a word about filled milk—if you take the step of legalizing yellow margarine all over the United States this year, then next year they will bring in the filled milk bill, and if they get by with that then the next year they will bring in the synthetic ice-cream bill; and pretty soon, as one gentleman said here today, when you want any milk product you will simply take a pill.

Mr. NICHOLSON. Mr. Chairman, if the gentleman will yield, New York City would be all right if it had a few silos, would it not?

Mr. CHRISTOPHER. That would help, sir.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HAYS of Ohio. Is it not a fact that practically every agricultural publication in the country says that the only hope for a prosperous agriculture in the South is an agriculture based on animal husbandry?

Mr. CHRISTOPHER. That is right. The South needs a dairy industry as bad as any part of the United States.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Colorado.

Mr. HILL. There was not an expert on agriculture who appeared before our committee but what stated the same thing the gentleman just mentioned; that is, without a good prosperous dairy industry, you cannot maintain the fertility of the soil.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CHRISTOPHER. Mr. Chairman, the Democratic platform has been spoken of here today as coming out for repeal of the oleo tax. The Granger bill repeals the oleo tax, but fixes it so it cannot masquerade in every hotel, in every restaurant, in every eating house, in every institution, and in every home of the land as butter.

One gentleman here spoke about butter being colored, and he talked about the straw that the cows eat in the winter time. A cow does not give milk from straw, neither does she produce butter from straw. We feed a cow nice green legume hay, a good silage, and some cottonseed meal that we buy from down South. That is what we feed our cows to give milk. Our butter does not need coloring if the cow is properly fed. Of course, she will give enough milk to make cream for your coffee if you run her in a stalk field and milk her over in the corner of some stake fence, but we do not do that. I can understand how a gentleman from New York would imagine all you had to do to get milk was to catch a cow and milk her. But today the dairy business requires more than that. It is a specialized industry. If you want to destroy it, you can do so with this unfair competition, but when you do, do not say, "We did it because we felt sorry for the poor woman who has to buy cheap oleo," because the things they are proposing to do will rob her of the only opportunity she ever had to buy a cheap spread for her bread.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I had requested the gentleman from Missouri to yield so that I might say to the House that I thought the gentleman from Missouri has brought out the one point that is most pertinent to this question, and that is, "Are you interested or are you not interested in preserving the soil of this Nation?" If you are interested, vote down the Poage bill when it comes before the House.

Mr. WITHROW. I thank the gentleman.

Mr. Chairman, the question here today is whether we should permit the transportation of colored oleomargarine. As far as I am concerned, I realize that the reason that oleomargarine is colored is in imitation of butter. I can well recall last December when my distinguished colleague, the gentleman from Wisconsin [Mr. MURRAY] was debating with Dr. Carlson, who was the spokesman of the oleomargarine interests, on the question of butter versus oleomargarine. Dr. Carlson is a very capable gentleman. He is and was at that time representing and speaking for the oleomargarine interests. Dr. Carlson under questioning by the gentleman from Wisconsin, said that the principal reason for the desire to color oleomargarine yellow was to break down a natural sales resistance. The coloring of oleomargarine yellow makes it an imitation of a natural product. The color of butter is yellow; it is a natural color. There are times during the year when the cows are off pasture in the barn that they are fed from silos and the result is that at that time it is necessary, to maintain a uniform yellow color, to slightly color the butter. But, it should not be construed in any way as being an imitation of any other product. It is put in to maintain the regular yellow color of butter, which is naturally yellow.

Now, dairy farming is peculiar. You cannot go into the dairy business quickly and you cannot get out of it quickly. Why, it is necessary to spend 15 to 20 years in building up dairy herds. They cannot be built up in a hurry. Then they must be culled and reculled in order to cut out the low producers to make it profitable. In addition to that, the dairy farmer must maintain large and expensive barns. He must construct large silos in order to store food for the cattle during the winter months. In addition to that he is required to meet very rigid sanitary regulations, both State and Federal. He must keep the entrance of the building that he cools his milk in a prescribed distance from the barn. He must meet these rigid requirements that cost thousands and thousands of dollars on every farm unit. Then, in addition to that he must buy expensive and diversified machinery so as to cultivate and to harvest his many products economically; the dairy farmer has a larger investment in proportion to his gross income than any other industry in the world.

I understand that many leading dairy and farm organizations are agreed on the suggestion that oleo taxes and license fees be repealed. This is being misinterpreted to mean the repeal of all re-

strictions on the manufacture and sale of yellow oleomargarine. This movement which threatens the very existence of the dairy industry is sponsored and financed by the oleomargarine manufacturers, a small industrial group that seeks to remove all restrictions on the sale of oleomargarine colored yellow in imitation of butter.

The fight between oleo and butter is an economic battle. On the one hand you have 2,500,000 dairy-farm families, 40,000 small dairy plants and their employees as against 28 large oleomargarine manufacturers. The dairy farmers are a vital part of our national economy, they pay substantial taxes and also provide the Nation with vital and nutritious food. They merely want the synthetic product called oleomargarine to be sold for what it is and not to permit it to be disguised as an imitation of butter by coloring it yellow.

I believe it is very conservative to say that the relationship between the producers of cotton and the oleo and crushers of cottonseed has not been conducive to a sound economy. The cottonseed-oil industry sets the market price—they make the money, not the cotton farmer.

The dairyman is in an economy in which butter is the balance wheel; more than 25 percent of all milk produced goes into butter.

From year to year the dairyman, by reason of rigid State requirements and voluntary usages relative to sanitary requirements, has invested hundreds of thousands of dollars in more modernized farm equipment; built new or remodeled old barns and silos, bought milking machines, and so forth, fertilized the soil so as to produce more and better feed. In most areas, he has carried on soil-conservation work, has prevented, in part, soil erosion. All of this has been done because he anticipated that this greatest of all agricultural industries, namely dairying, and, I might say at this point that most of this work was done under the guidance of the State and Federal Government—at least with their approval. Farm boys have attended the universities in ever-increasing numbers, so that they in turn can take over, and in an intelligent way carry on the work so well done by their parents. They have the intellectual and technical ability to carry on in this worthy endeavor. They are literally the backbone of the Nation. Shall their future be jeopardized by the Congress permitting this synthetic product to be sold in imitation of their natural and wholesome product?

The family-sized farm is doomed if this economic blow is dealt to the dairy industry.

Competent economists have shown, and it has not been questioned, that to sell yellow oleo unrestricted would take away an additional 600,000,000 pounds a year in butter sales. The cost of this loss in sales to the dairy farmers would be a quarter of a million dollars in cash income. The long-term result would be liquidation of dairy herds on a large scale. The small farm unit would not be able to operate any longer. This terrible economic readjustment is threatened because the oleo interests of the Nation, who are making handsome

profits now, want to expand their business by being permitted to color their product yellow in imitation of butter, whose natural color is yellow. Their object is to fool the consumer and break down a natural sales resistance.

The dairy farmers welcome the expansion of dairying in the cotton areas, and it is of vital interest to you from Cotton States that the status of butter be preserved. The cotton producer realizes, I believe, that the farmers of the Nation are their best customers by buying edible vegetable oils in shortenings for salad and deserts, and for spreads; likewise cottonseed meal is used for feed; which is bringing at the present time between \$85 and \$100 a ton; and also cotton products.

It must also be borne in mind that any break in the economy of the dairy farmer would severely impair the soil-conservation program which is making wonderful strides in the voluntary conservation of our soil. A break in that economy would also affect adversely our rural-electrification program which, with its further expansion, will accomplish more to raise the standards of living of those in the rural areas than any one other factor. A blow to the dairy economy would also endanger our farm-credit program which is doing much to help our farm economy. In fact, a blow to our dairy economy would have severe repercussions to the entire agriculture set-up.

This is a most inopportune time to be considering this type of legislation, with dairy prices on a sharp decline, and legislation in the hopper for further farm-price supports. With all somewhat in accord that we must cooperate in an effort to help one another, in come the oleo interests to completely—if they are successful—upset the best of our plans with a scheme which is as destructive as it is deceptive.

Oleo manufacturers are guilty of trying to mislead the public to believe that their product is naturally yellow, and that they are compelled by Federal restrictions to remove this yellow color by bleaching or pay the 10-cent tax per pound. They also say that butter is colored with the same dyes with which oleo is colored and to restrain their use of yellow color is unjustified discrimination.

The natural color of oleo is white or gray, and, I understand, must be bleached in most instances to make it white. The natural color of butter is yellow, except during the winter months when the cows are off pasture. Then a coloring is used to make the color uniform the year around. But it is not put in to deceive the consumer.

I am reliably informed for the year 1947 that the oleo manufacturers spent \$6,600,000 for advertising directed, in part, toward the repeal of oleo restrictions. In 1948 they spent an additional \$5,400,000 to mislead the American housewife on the question of yellow oleomargarine.

Perhaps there are people whose incomes are so low that it may be necessary for them to eat oleomargarine instead of butter, but it is not fair for them to be deceived by the yellow color into thinking they are buying and eating butter.

Fraudulent substitution of yellow oleomargarine for butter must be prevented. This can be accomplished by a flat ban being placed on the imitation of butter through the commercial manufacture or sale of yellow oleomargarine.

Under such a prohibition, the housewives could obtain all the oleo they wanted to buy uncolored and tax-free. At the same time, the ban on imitation butter would curb unfair competition for the butter market.

My people are alarmed; they know what happened to agriculture from 1920 to 1929. They are fearful that this latest unwarranted attack may have the same disastrous result—not merely the collapse of the great dairy industry but likewise the disintegration of our entire economic structure, for agriculture is our basic industry.

Might I remind the Members of the House that every major depression we have had has been preceded by declining agricultural prices and values.

If the taxes are repealed, then there should be an effective prohibition of the manufacture and sale of yellow oleomargarine.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent that the gentleman from Idaho [Mr. WHITE] be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. WHITE of Idaho addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHESNEY].

Mr. CHESNEY. Mr. Chairman, the case of butter against oleomargarine again takes the spotlight before this august body. In the Eightieth Congress the probutter forces suffered a set-back, but as we have witnessed in the days and months preceding this legislative day, the butter groups have been capably working.

As a result, we have before us today a bill providing for the repeal of the tax on oleomargarine. Now this is somewhat a reversal of attitude since the battle began. But in conceding to this repeal of the Federal taxes and the Federal ban on the manufacture and sale of yellow margarine, there has been inserted in the bill a clause which is most undesirable in solving this pressing problem. This clause would prohibit the transportation of yellow margarine across State lines. In this regard, the bill is violating a concept of our country's economic system. This is the bill which our good friends of the butter lobby want this Congress to pass.

Those members of the Agriculture Committee who voted to bring out this emasculated repeal bill certainly cannot be blamed because, no doubt, their constituency is composed of dairy farmers and dairy industries who have fought this bill for many years, and who have charged those members of the committee with the responsibility of representing their interests in Congress. How-

ever, the distinguished members of the Agriculture Committee knew that the temperament of the Nation was demanding the abolishment of these discriminatory taxes and restrictions on an important domestic food product. Therefore, a compromise stand was taken by the Agriculture Committee in reporting out the Granger bill.

I am opposed to this bill in its present form. As a Congressman from a city district, it is my duty to vote for a bill which will provide the housewives of this Nation an opportunity to purchase and use oleomargarine of their own choice.

This is not only my position, but the position of housewives throughout the Nation who find it necessary for reasons of economy to use, when possible, oleomargarine as a substitute for butter.

The women of Chicago have protested and our local newspapers have taken up the issue and have presented both sides of the question. The newspapers of the city of Chicago have as great a circulation in the rural areas as they do in the metropolitan center.

The Illinois State Register, a newspaper which is published in Springfield, the capital of the great State of Illinois, which is located in the very heart of our farming section, printed, on March 19, 1949, an article by the editor, V. J. Dallman, which read as follows:

UNDEMOCRATIC BUTTER LOBBY

The probutter, antioleomargarine pressure group is one of the most unorthodox special interests that has ever lobbied its will on Congress.

To our knowledge, it is the only group that ever succeeded in securing legislation discriminating against one food product to the advantage of another. Margarine, admittedly a perfectly good food, has been singled out for punitive legislation as has no other domestic food product.

In a competitive economy based upon free enterprise, there is no more reason why butter makers should complain that oleo manufacturers are hurting their business, than for the oleo industry to charge the dairymen with injuring the margarine trade.

The butter lobby operates under the front of helping the consumers, and tries in every way possible to deny the consumers a free choice. In the present Congress the butter men are attempting to throttle oleo manufacturers by passing the Granger bill, which would ban the interstate shipment and sale of yellow margarine.

In pressing for adoption of this bill, the dairy interests have dropped both their insistence on Federal taxes and a Federal ban on the manufacture and sale of yellow margarine. Instead, they have inserted a bigger gimmick. Although the Granger bill would repeal the Federal taxes on margarine, no yellow margarine could be shipped across State lines. This violates a cardinal principle upon which this country's economic system has been built—the free flow of domestic commerce across State lines.

The bill would support a principle which denies consumers the benefits of mass production that have increased efficiency and lessened costs in industry after industry, including the margarine industry.

What would happen, for example, if, by Federal law, automobiles could be sold only in the State in which they were manufactured? In prohibiting the interstate shipment and sale of margarine, the bill is returning to a concept which almost wrecked this country in the early days of the Articles of Confederation, when each State freely levied duties and other restrictions upon the

products of other States. The whole thing is slightly preposterous.

Butter has no God-given rights that demand Federal protection. There is no more reason why butter be protected against oleo than that olive oil be protected against vegetable oils; or real rubber tires against tires of synthetic rubber; or silk dress goods against rayon, or both silk and rayon against the newcomer, nylon. The consumers go to the grocery store and buy pure lemon juice or artificial lemon extract, as they choose. They buy fresh or condensed milk; coffee or Postum; soap or detergent; egg noodles or macaroni; cakes fresh from the bakery, or a box of cake mix with which to bake their own. They know what they are getting and are free to choose. Why, in the name of common sense, should they not be allowed to choose freely between colored margarine and butter, without the benefit of any Government regulation?

Apparently, the only logical answer is, because the butter interests are afraid that if given a free choice, a great many of the customers would buy oleo.

And, if the people want to buy oleo without restrictions, Congress, which is elected to represent them, should certainly give the people the chance.

Now, why should the butter interests be opposed to the freedom of oleomargarine? Are they fearful that the sale of butter will drop? I firmly believe that those people who use butter will continue to use butter as they always have. Just the other day Government figures showed that Americans are eating more butter than oleomargarine. It is another indication of the fact that low prices on butter will encourage sales, and ultimately bring greater profits. The dairy farmer has not suffered and will not suffer because of competition with oleomargarine.

Let us forget about sanctions which affect our tables, and pass legislation which will conform with the objectives of our democratic concepts of living.

(Mr. CHESNEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, I noted with considerable interest the remarks of the distinguished gentleman from Missouri and the amusing manner in which he put forth his speech. I was particularly impressed with the remarks he made about the conservation of our soil. I know that that idea has been kicked around, so to speak, by the dairy interests for some time—that is, that unless we continue to discriminate against yellow oleomargarine we cannot maintain the fertility of our soil. As the gentleman said, the city of New York would go back to the Indians, or something to that effect.

I am a farmer myself and I keep my soil in condition by growing cover crops and turning them under. The matter of maintaining the soil fertility of this Nation is not at all tied up with the dairy industry. It is true that it helps, but it certainly is not the only alternative.

To bring another point into this matter, we have had in discussion here the question of who is in favor of maintaining this discrimination against yellow oleo and who is not. I have had many

letters on the subject. The one that struck me the most is this little handwritten letter I received from Modesto, Calif. It is very brief and I will read it to you. It says:

DEAR MR. WHITE: I am damned tired of mixing color into oleo. Please be governed accordingly.

Yours very truly.

Let me say to you that there are many housewives in this country who reflect that sentiment.

Mr. Chairman, I am a member of the subcommittee which held the hearings on this bill. I want to say to you that we heard many hours of useless testimony—testimony that dealt with the relative merits of butter and oleomargarine. Testimony that dealt with whether the butter dealers or the oleo manufacturers are the big bad barons—testimony that dealt with whether or not an unrestricted market on oleomargarine would adversely affect the dairy industry. And let me say that all such testimony is really incompetent, irrelevant, and immaterial, as the lawyers say in court cases. To my way of thinking, the only thing that really counts in this matter is this: "Is the housewife entitled to buy what she wants or is she not?"

If she wants to buy imitation pearls, she can buy them under the law. If she wants to buy an imitation fur coat, she can buy it under the law—and if she wants to buy vegetable shortening, in white color just like real hog lard, she can buy that under the law.

But if her husband happens to be one of the millions of Americans whose income is so low that she cannot afford to buy butter, the proposed Granger bill would prevent her from buying the cheap but healthy and nutritious oleomargarine in the color she desires, unless she happens to live in a State which contains a manufacturing plant which produces yellow-colored oleomargarine. Such plants do not exist in 33 of the 48 States in this Nation. But even if they did exist in every State, it is not just or equitable to place a color prohibition against one product in favor of another product.

Much has been said about oleomargarine being sold as butter through deception. Let me assure you, my fellow Members, that the distinguished gentleman from Texas [Mr. POAGE], the author of H. R. 3, has leaned over backward to provide positive assurance that every ounce of oleo shall be sold only as oleo. He has provided in his bill that the public shall have due notice of individual servings of oleo in public eating places. There is no chance for deception under the Poage bill. I have heard about this controversy between butter and oleo for many years, but I confess that I had never knowingly tasted oleo in my life, until last week. I purposely went to the store and bought a package of oleo just to satisfy the curiosity which listening to the hearings on this matter has engendered, and let me say to my friends on the butter side of this controversy, that after comparing the taste of oleomargarine and butter, I cannot understand what the butter people are worrying about. I say to you, that since there are millions of unfortunate American

families with low incomes, who are not able to afford anything but this mediocre tasting substitute, for heaven's sake let them have it in any color that will make it reasonably palatable.

The most striking testimony we had in the hearings on this bill was from a lady representing the housewives of America. She let us know in unmistakable terms that the housewives of America want this color restriction on oleo removed. And let us not forget, my fellow Members, that women do about half the voting in this country of ours.

So again I urge you, ladies and gentlemen, to vote against the Granger bill and for the passage of the Poage bill and give fair treatment to the consumers of the country.

To my friends representing dairy interests, I wish to say that I have no desire to hurt the dairy people and to prove this I want to point out that I have introduced a bill to support the price of dairy products at 90 percent of parity. Also, I want to say in closing that I do not believe the removal of color restrictions on oleo will hurt the dairy industry.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, this is supposed to be the administration of the little fellows. At least, during the campaign last year our Democratic friends tride to make some headway by asserting that they were the party of the little people and that the rest of us were the barons of personal privilege. I am quite sure that the people of the country are rather disillusioned by now about the whole situation. Almost the first thing the Eighty-first Congress heard upon reconvening last January was a plea by the administration for higher taxes and it was frankly stated by the President that, in his judgment, everybody earning over \$6,000 a year should be taxed some more. Almost immediately thereafter the Congress almost doubled the President's salary and expense account, part of which was tax exempt. I am sure the little fellows of the country are beginning to catch on.

Now bringing the picture up to date, approximately 3 months after the convening of the Eighty-first Congress we find the issue clearly drown today in the fight between 28 oleomargarine manufacturers, the monopoly boys, against 2,500,000 dairy farmers, most of whom are really the little fellows in the dairy industry today. The country should know that once more the administration is lined up with the oleomargarine interests and seems to be very little concerned about the possibility of our dairy herds being liquidated and some 10,000,000 Americans who are dependent upon the dairy industry for a living being put out of business. The majority leadership in the House of Representatives, speaking and acting for the administration, seems to be determined to do everything it can to assist the oleo monopoly, well knowing that in so doing it may virtually destroy one great segment of

our agricultural economy—the dairy industry.

Everyone should know that agriculture is the Nation's basic industry. The dairy industry is a vital part of our agricultural economy. The economy of a country like this is in some respects comparable to a complex living organism. All of the parts are closely interrelated. If one part fails to function, or functions improperly, the entire organism is endangered. We have all learned through bitter experience that when one important segment of our economy suffers, the entire economy is upset. Dairy farmers are not merely the persons who supply milk and dairy products to people in cities and towns. They also form one of the largest groups of customers for products of our cities and towns, and the farmer's wife is well aware of the implications of a smaller milk check. Dairy farmers sold about \$4,000,000,000 worth of milk and milk products in 1947. A great portion of this money was expended for goods produced in cities—shoes, clothing, cars, and all the numerous items that families require. Reductions in the incomes of dairy farmers would inevitably be reflected in reduced purchases of such manufactured products.

As previously stated, 10,000,000 Americans are dependent upon the dairy industry for a livelihood. They include 2,500,000 dairy industry farmers and their families, 250,000 dairy industry workers, the staffs and employees of 40,000 local dairy plants, and the employees of 3,500 creameries located in every State in the Union. These are the little fellows, most of them whose income will be reduced if the Poage bill is substituted for the Granger-Andresen bill or if the restrictions on the coloring of oleo in imitation of butter are removed. By backing the Poage bill or the Rivers bill or removing the color restriction, a mere 28 oleomargarine manufacturers seek a monopoly of the spread market at the expense of the dairy farmer. Five of these 28 manufacturers are giant corporations which already control 65 percent of the 906,000,000 pounds of oleomargarine produced annually in this country.

In this connection, it is interesting to note that not a single representative of the oleomargarine-manufacturing industry appeared before our committee when this legislation was considered. Interesting to note also is the fact that the oleomargarine side did not present a single farmer. The oleomargarine witnesses mainly consisted of Washington lobbyists and representatives of consumer groups. I do not think that even my cottonseed-oil friends from the South should be deluded by what the oleomargarine manufacturers expect to do if the Poage substitute or the Rivers substitute is adopted. These bills will not add a single penny now paid to the cottonseed farmers for their oil since those prices must compete with other vegetable oils in the world's market. Do they not know that Procter & Gamble and Lever Bros., two gigantic processors of oils for the Nation's 28 oleo manufacturers, have access to overseas plantations producing coconut, palm, and many other oils with the help of

low-cost native labor? There certainly is no assurance that American oleomargarine will continue to be made from domestic oils, and I venture the prediction that when and if the oleomargarine manufacturers leave the cottonseed-oil boys flat, they will be the first ones to ask this Congress to protect their interests.

I am very much concerned about the present decline in our cow population. It has declined 2,731,000 head since 1945, only a period of 4 years. The decline is more serious in the butter-producing States. During this 4-year period, there has been a percentage decline in cow population of 28.4 percent in North Dakota, 25.3 percent in South Dakota, 16.9 percent in Iowa, 24.7 percent in Nebraska, 22.9 percent in Kansas, and 14.3 percent in Minnesota. If the Poage substitute is adopted or the color restriction removed, it is my considered judgment that the cow population will be further reduced, thus affecting the economy of the entire country. We all know what has happened to the sheep population during the past few years, and a similar liquidation of our dairy herds will very likely occur when the butter market is lost to the dairy farmers of America. If the unrestricted sale of yellow oleo is permitted, yellow oleo will replace butter to a volume of as much as 600,000,000 pounds annually. This increase in yellow-oleo sales will result in a decrease in the price of butter from 25 percent to 40 percent. Contraction in butter sales will cost the American dairy farmers \$638,000,000 a year. Serious dislocations in the markets and prices of other dairy products, including fluid milk, will affect 40,000 milk-processing plants and 2,500,000 dairy-farm families in every State of the Union. The natural result will be the slaughter of an estimated 2,000,000 head of dairy cattle, which certainly will disrupt livestock and meat prices and marketing. Dissipation of our soil resources will result from discouraging dairy farming—the most important contributor to sound soil conservation the country has ever known. This may all bring about a consequent depression in a critically important branch of farming which will affect retail sales and the economic life in cities, towns, and hamlets in every section of America.

Proponents of the Poage substitute and the Rivers bill should be looking further ahead than the tips of their noses. If oleomargarine manufacturers are given the unrestricted right to color their product yellow in semblance of butter, it stands to reason that practically all of the white oleomargarine now manufactured will be colored yellow to imitate butter. Hence, the cheaper, uncolored form now available at a reasonable price to consumers will tend to disappear entirely from the market. Do not let anybody be deceived. Whenever most of the oleo is colored yellow in imitation of butter, its price will increase by at least 10 cents a pound and, as a consequence, people in the lower-income groups will not only be deprived of the white oleomargarine spread they can now purchase at a reasonable price, but

will find that such white oleomargarine will no longer be available.

I would like to discuss the real necessity of retaining and maintaining the fertility of our farms by dairy and livestock farming. Time, however, does not permit; but suffice it to say that the more imitation butter produced, the less fertile the soil.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman from Iowa two additional minutes.

Mr. HOEVEN. I am sure the following table of 1948 comparative monthly farm-wage rates between certain dairy States and nondairy States will prove of interest. This table shows that the wage rates, without board, in the dairy States far exceeds those in some of the Southern States, where there is very little dairy industry. The table conclusively shows that where dairying flourishes we have better soil conservation and a higher standard of living.

The monthly farm-wage rates (1948) without board

South Carolina.....	\$58
Mississippi.....	62
Alabama.....	63
Georgia.....	63
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In closing, I would like to give you a few figures on the State of Iowa. For several years the State has ranked second in the Nation in the production of butter. Cows are milked on 9 out of every 10 farms. Most of these are family-sized dairy farms and a very large percentage of the milk on these farms is farm separated. Practically all the farm-separated cream is churned into creamery butter. We have some 400 creameries producing butter in the State, most of them local cooperatives, made up of the little fellows on the farms. These local creameries are the backbone of our little towns and cities. The regular checks which they pay to their hundreds of thousands of farmer patrons have meant a steady income and a stable business in all of these 400 communities. The merchants and professional men in these towns well remember the days in the early thirties when the dairy farmer's checks were mighty small. Some of them are feeling the pinch today of lower milk and cream checks. They would feel the pinch severely if and when the dairy plants close, and the pinch would soon enough be reflected in the bigger cities. Dairy products are the third largest source of farm income in Iowa. In 1947 figures show cash receipts for dairy products of \$177,000,000. Farmers have sizeable investments in cattle, buildings, and equipment. Cost of milk-production studies show that dairymen generally have as much invested in buildings and equipment as in their herds. Iowa farmers on this basis have a total dairy investment of over \$457,000,000.

Over 70 percent of Iowa's milk is sold for butter. What metropolitan markets can take the fluid milk produced by Iowa or our dairy State cows if butter markets are changed over to oleo? The milk from tens of thousands of farms that now goes into butter cannot crowd into the fluid markets, and remember this—if there is no butter or fluid-milk markets, farmers will simply have to sell their herds. Creameries will have to close. Bankers, barbers, merchants, and mechanics will suffer. Yes—the farmers can grow other crops but what will happen to the economy of this country if fluid milk disappears and the butter market is gone?

Members of Congress who are really interested in the welfare of this country should think twice before voting for any legislation which will drive the dairy industry to the wall. This should not be a sectional issue. It is a question of what is right and just. Under the provisions of the Granger-Andresen bill, all Federal taxes are removed. That seems to be the thing the consumers of the country were most concerned about. A recent survey shows that approximately 62 percent of the consumers do not care whether oleomargarine is colored yellow or not. If this is true, why the determined effort of 28 oleomargarine manufacturers to steal the traditional yellow color of butter so that they can fool the people, drive butter from the market, and eventually destroy the dairy industry in this country.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

Mr. DONDERO. Mr. Chairman, in the last session of Congress I voted to retain the Federal tax of 10 cents per pound on colored oleomargarine. To have voted otherwise, that is to remove the tax, would have been of no benefit to the people of Michigan. My State, like many other States, had a law which prohibited both the manufacture and sale of colored oleomargarine.

That law, which had been on the books in Michigan since 1892, has been repealed by the present Legislature of Michigan, now in session.

The tax on oleomargarine was an issue in my district during the last campaign. I told the people that, if Michigan changed or repealed the law, permitting the sale or manufacture of colored oleomargarine, I would vote to repeal the Federal tax. That promise shall be kept. I shall vote for H. R. 2023, which repeals such taxes on oleomargarine.

In the bill, however, is a provision in section 2 which I fear will defeat the very purpose of the bill. That section provides that the manufacture, transportation, sale, use or possession of colored oleo in interstate commerce is declared unlawful. It means that only colored oleomargarine manufactured within a State could be sold or used. Suppose that one ingredient used in the making of oleo was shipped across State lines. The question of interstate commerce could arise or the shipment in commerce

could be interposed, which is declared unlawful under this bill.

The average American housewife wants the privilege of buying oleo without mixing or coloring it at home. The bill before us, as presently drawn, may defeat that very objective.

I hope the committee in charge of this legislation will clarify and correct this provision of the bill.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to my distinguished colleague from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Chairman, in speaking in support of the Granger bill, I am very sorry it is not stronger. I wish I could speak in support of a bill that would completely outlaw the sale of any substitute for butter colored yellow. I have had no butter lobby after me.

For 30 years I have been trying to help the dairy industry in the South. I am one who believes that our whole future in the South depends on an increase in our livestock population and in a new generation of farmers who will know how to handle livestock and in a South whose agricultural economy will be based on livestock, pastures, legumes, and then for our cash crops—wheat, tobacco, cotton, and peanuts. We have learned in the South during the past 25 years that we can have 12 months' grazing. We have learned that we can grow good pastures in the South by the use of limes and phosphates. We can grow alfalfa now. We have learned to put borax on it. And we are building a great dairy industry. Our dairy products in North Carolina from less than a million dollars 20 years ago rose to more than \$34,000,000 in 1946.

Mr. Chairman, most of all I want to speak on what I think it would have to do with the health and the future of our southern children. If you will compare the children from a dairy country with the children from a country like parts of my district, where their only cash crops are tobacco and cotton, you will immediately be struck by the difference. We all know that children require milk. Butter is a product of milk. Whole milk has the butter in it. In spite of the fact that margarine may be a wholesome article and that it may be revitaminized by running it under a blue light and irradiating it, I do not believe this proposed bill will make children what they are in the great dairy countries.

I spent some time during the war along the coast of New Guinea and I saw a great deal of copra being dried. I believe that copra goes into Nucoa, one of the well-known substitutes for butter. If you could see the conditions under which copra is dried and handled, if you could see the people of New Guinea and would see the disease and the size of them and the intelligence, and know they live off of cocoanuts mainly, from which copra is made and from which coconut oil goes into a great many of the substitutes; then if you were to look at the children of the Scandinavian countries, Norway, Sweden, and Holland, and see the children from the dairy country and see the children in our own Northwest, then go down again into certain tropical

countries like Africa you would see the difference. I have been told by eminent scientists that in spite of the fact they have a great deal of disease in Africa and bad health and do not live long, there is one tribe in the center of Africa, the Massi, who keep and grow cattle and who are raised on milk and cheese. I think the future of our South is tied up in this bill in that every pound of butter substitute will be detrimental to the future of the dairy industry.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Texas.

Mr. POAGE. Does the gentleman think that the sale of margarine will help the butter business? The history of the world is that those nations which consume the most margarine also consume the most butter. The history of the United States is that those States which have restrictions against the sale of yellow margarine get a less price for butter and for their milk and cheese than the States that have not those restrictions. Why does the gentleman assume that it will displace butter?

Mr. JENSEN. Mr. Chairman, will the gentleman let me answer that?

Mr. CHATHAM. I think I can handle that myself—because wherever I have seen oleomargarine used, it was used in place of butter. To me that is a very simple answer and a proper one. If my wife buys a pound of oleomargarine she lays off of a pound of butter.

Mr. POAGE. The gentleman's wife can afford to buy butter, but the woman who cannot afford to buy butter would buy oleomargarine if she is given the opportunity.

Mr. CHATHAM. I do not take too much stock in that.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Iowa.

Mr. JENSEN. The reason that man can afford to buy butter and that woman can afford to buy butter is because this Nation is known as a dairy Nation, just like the countries that the gentleman has just talked about. If in time you destroy the dairy industry, you will not be able to buy even oleomargarine that some folks would like to have.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, as a Representative of the great State of New York on the House Committee on Agriculture, I wish to say that I am a little irked this afternoon hearing so many references of a facetious nature regarding my home State. For the edification and information of those who have been want to refer to New York as a metropolis of houses packed closely together, of factories, of smokestacks, and so forth, let me say that New York State, second only to Wisconsin, is the greatest dairy-producing State in the country. If the members of the 43 Granges in my district could hear these facetious remarks directed at the most

genuine farmers in America, I hesitate to imagine what they would do. For the RECORD, I want you to know I am a Granger in good standing and have been for many years.

I voted against this bill last year, and I was one of the very few Members from a dairy district who did vote against it. The only issue in my vote against the bill last year was the fact that the tax on oleo was an issue. Today with that issue removed I am only too happy to lend every ounce of energy at my command to the support of the Granger bill. It ought to be passed, in order to protect the future of the milk and dairy industry in this country. In the next few months the prognostication I have several times made will be borne out because the price of milk is already going down, and the threat to every dairyman in the country is paramount. They are in a precarious position.

In my district there are 30,000 rural mail boxholders, and I recently mailed a direct letter to every dairyman in my district telling them of my position in this matter. The 30,000 dairy families in the Thirty-seventh Congressional District of New York are not going to be faced with economic disaster if I can help it. I am going to vote to protect their interests in every way that I possibly can. You can accuse me of being sectional if you want to, but if I am guilty of that I willingly stand accused, because I am voting to protect those dairymen in the Northeast. There are 1,000,000 of them. Nearly one third of the dairy farmers of this country come from the Northeast and the New York milk shed. I would consider myself lacking in responsibility to the people of my section of the country if I were to vote against this bill.

The dairy people of our milk shed have the responsibility of supplying the populations of the great cities of New York, Philadelphia, Pittsburgh, and all the up-State New York cities, as well as everywhere else in the Northeast where dairy products are used. Every man, woman, and child has need of them. We have the responsibility of supplying those people with the necessities of life, the staff of life, milk and other dairy products. We cannot go back on that responsibility, we cannot go back for one instant on the responsibility to see that they are supplied with those vital necessities and foods of life.

I am not going to challenge the effectiveness of oleo as a food. The very fact that I opposed the tax on oleo last year when many others were for it is indication enough that I concede that oleo is a food. I am against a tax on any food because it is a tax on the poor man's pocketbook. He cannot possibly afford to carry such a tax.

I am going to leave this thought with you. There is a popular report running throughout the country today that the oleo barons are going to grab and absorb the difference in the tax on oleo when we repeal it today. I hope the country will rise up to protest if that ever happens.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, it is almost impossible to say or to do very much in 4 minutes but I shall make a try. At the outset, may I say I am in favor of the Granger bill, and I am in favor of it even though I am mindful of the provisions in the Democratic platform under the subject, Agriculture, the salient parts of which are as follows:

Pledges its efforts to maintain continued farm prosperity. * * * Favors repeal of taxes on oleomargarine.

These two platform planks are inconsistencies if you pass the Poage bill. You cannot work to maintain continued farm prosperity if you dish out to the two and one-half million dairy farmers what is contemplated by the Poage bill. But you can adhere to this platform by repealing the tax and helping these dairy farmers. You do not have to do any more than what the platform requires. I have always observed that when people try to do more than they are required to do—more than they are pledged to do—they always get in trouble.

I consider that I am a good Democrat and I am bound by this Democratic platform, but I am not bound by what the majority leader or anybody else says beyond what is contained in that platform. We are all out on open, common ground as far as this question is concerned about trying to make to oleo an outright gift of the color yellow which from the very first days of creation belonged to butter.

A lot has been said about the color yellow and it is urged that butter cannot appropriate it exclusively. I would like to cite something concerning what Lever Bros. have accomplished by way of appropriating a color—the color red. I shall quote from this document prepared by the Library of Congress. They are talking about Lever Bros.' great lawsuit where they sought to appropriate exclusively the color red. This document states that it is reported in Fortune magazine, in the November 1940, edition, at page 98, that Lever Bros. had a big lawsuit involving Lifebuoy soap, and that after about 10 years of legal battles, the courts ruled that Lever Bros. and Lever Bros. alone was entitled to make a cake of health soap, colored red.

Lever Bros. had the court sustain their right to have the only red toilet soap on the market.

I also call your attention to the fact that the Yellow Cab companies have the sole and only right to use the color yellow on their cabs. I had a legal experience along that line myself. In that lawsuit I thought it was ridiculous for a firm to take one of the colors and appropriate it exclusively for themselves. By a judgment rendered by a court of equity I found out that the Yellow Cab Co. has the sole right to use the color yellow on their cabs. This view was supported by dozens of court decisions in the United States.

You know, I am awfully afraid that there is a Britisher concealed in this legislative woodpile some place. I am sure that Lever Bros. has been carefully concealed behind all this propaganda for oleomargarine. I call your attention to the fact that I was flooded with oleomargarine letters from my district. I kept the letters and the envelopes and

compared them. They were all written on the same typewriter and had at the bottom of the same letters of the same stenographer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. O'SULLIVAN. They all had the same watermarks. I sent them all back to Omaha, Nebr., and had them checked. I found out after a check had been made in my district that almost all of them were put out by a big national food concern, and that they were signed by employees and friends of this big national food concern. Of course, I gave that story out to the Omaha World-Herald and this propaganda was blasted into silence. Would you believe it? I never received another such letter. These trapped propagandists did not even have enough sense to do what a bunch of criminals would have had sense enough to do when a great number of the gang are locked up. Everyone knows that for purely self-defense reasons all crime should not cease, but should continue at a greater tempo than before, because, if it ceases, then the police would know that they had everybody in jail who was connected with that particular type of crime. These fellows ceased their propaganda and I know why they ceased. The whole gang had been caught in one fell sweep.

I will not be able to finish these remarks, but I have taken the time to prepare some notes about Lever Bros. and Unilever, Ltd., of London, England, and practically all of the rest of the world. I have set out in these notes the size of this gigantic and mysterious concern; their terrific sales; how they penetrated into the United States and have practically taken over the soap industry; how they have recently bought, for \$16,000,000, Jelke, the largest oleomargarine manufacturer in the United States, which concern is located in Chicago. I call attention also that in Fortune magazine of February 1948 it is stated that they—Lever Bros., and so forth—only intend to take 75 percent of any business they engage in, when General Motors only intends to take 45 percent of the business they engage in. I point out further a good many other things which will be important reading, perhaps, if you are interested in this Lever Bros., and so forth, venture, and really want to find out what malefactor is hiding in this legislative woodpile.

I then conclude my remarks by paying a personal tribute to Lever Bros. and Unilever, Ltd., which I wish you would read. It is not original. I just took another man's language and applied it to the particular case.

SIZE AND MYSTERY

The great international vegetable oil and oleomargarine cartel of Lever Bros. and Unilever, Ltd., is admittedly by far the world's greatest producer and distributor of the materials used in oleomargarine, in soap, and also of the finished product themselves. Very little published information is available on the scope of the operations of this great cartel or of its sales and finances.

A cloud of mystery has shrouded all of its operations. What the world does know was learned only when some Government agency probed into its secrets or when a magazine like Fortune runs a series of articles as it did in December 1947 and January and February of 1948.

Fortune reports the basic reason for putting the great British and Belgian oil and soap combines together many years ago was to form a cartel that could control more than one-third of the entire world's output of all fats and oils.

Since the formation the cartel has grown rapidly. Fortune reports in January 1949 that Unilever's United African, Ltd., was the world's largest trading enterprise. That company raised \$6,000,000 worth of vegetable oil in 1946 alone.

How many natives employed as laborers at slave labor rates produced the vegetable oil this great British combine sells each year is a mystery. Fortune reports that the subsidiary operating in the Belgian Congo employs 40,000 natives, who produce 37,000 tons of palm kernel oil—ideal for oleo—in a single year.

DOLLAR SALES

Fortune presents its estimate of Unilever sales of oils, fats, and oleo in the year 1946, as follows:

Fats and oils.....	\$382,262,000
Oleo and edible oils.....	216,621,000
Soap.....	231,000,000

These huge totals, which were for the year 1946, give no indication as to the far larger current sales of this cartel. Yet they dwarf the comparable totals for oleo producers in this country as far as available information indicates.

LEVER BROS. PENETRATION IN THE UNITED STATES

Because Lever Bros. Co. carefully cloaks its activities of its oils and oleo producing units in this country under every legal veil available, it is not possible to show exactly the extent to which Lever Bros. has penetrated in the United States.

Fortune reported that Lever's American sales in 1946 were 45,000,000 English pounds, roughly \$200,000,000. Since 1946 Lever Bros.' sales have grown by leaps and bounds. The most significant recent development is Lever Bros.' purchase of the major American oleo producer, Jelke. Jelke's sales are increasing, too, and current trade reports indicate that this Lever Bros. subsidiary is one of the five or six largest American producers of oleo.

At the present time we do not know to what extent Lever Bros. may hold interest in other oleomargarine concerns nor do we know the number of vegetable oil processing units it controls directly or indirectly in this country.

SYNTHETIC PROTEINS

Fortune also reports that Lever Bros. growth in recent decades is based on "the fact that the cow and pig develop vegetable matter into fat inefficiently." It reports how Unilever vast research and sales resources were mobilized to complete its current world monopoly of oleo and then Fortune says the Unilever's research talents are now concentrating on synthetic proteins.

As a lifelong friend of the farmer, I resent these vast conglomerations of capi-

tal and chemistry which undertake to remold Nature's handiwork in their own synthetic image. If these men have their wish, the family-sized farm will be doomed as a way of life in this country. The self-reliant, self-sufficient production of the American dairy farmer is not good enough for these cold-eyed experts who juggle the markets of whole nations. They want to reduce everything to a system of valves and faucets, with only their own hands at the controls.

Their nightmare of a vegetable oil monopoly would wipe out the dairy cow as a producer of one-fourth of the food consumed annually in this Nation, and substitute soil-eroding crops. If that ever came to pass, the result would make the dust bowls of the 1930's look like the Garden of Eden by comparison.

Promotion of dairy farming can still save our fast-depleting soil resources. Every soil expert pleads for more grass, more dairying, more manure.

But the chemists of the oleo trust will hasten the wreckage of our land. Not only will these cartels and trusts ruin our soil-conserving dairy farmers—they will foster and encourage the crops that work havoc with the land and provoke erosion.

Mr. Chairman, this trend must be stopped before it brings to an end a livestock economy that is one of the proudest boasts of American agriculture, and tears down a system of food supply that has made our people the best-fed on earth. I, for one, am unwilling to surrender our centuries of gain for the profit of a few men in the financial districts of London and New York. The livelihood of 2,500,000 dairy farmers and their families is more important than the sales of 28 oleomargarine manufacturers, 5 of whom control nearly two-thirds of the total production in this country.

The bills contrived by the oleo cartel and the oleo trust would hit my own State of Nebraska a deadly body blow. Cows are milked on five out of six Nebraska farms. Livestock and dairying combined rank as our first industry.

Available reports show that there are more than 78,000 farms in Nebraska selling farm separated cream. These farmers have a direct cash interest in this legislation being considered here today. They want the Congress to vote for their farms and not for Lever Bros. and the great oleo trust in this country. If you depress butter prices by selling out to the oleo interest, five out of six Nebraska farmers will feel it and will tell you about it. They receive practically nothing from the sale of oleo materials and will not be helped if oleo sales trebled and quadrupled.

The entire Nation owes our Nebraska dairy and livestock farmers a vote of gratitude for what they have done toward correcting the soil damage of the dust-bowl era. Encourage them to continue to protect our soil. Do not force them to sell their cattle and go back to soil-depleting practices.

A great man once said: "The ancients had a saying that those who cross the sea change their sky, but not their mind." No man can escape from himself and no

business can escape from itself. The companionship is inseparable.

It has been said by good authority that the Britisher in this political woodpile is Lever Bros. and Unilever, Ltd. My investigations bear out that statement and in conclusion I want to pay my respects to this concerning by borrowing some of the language of the great Kansas Senator, John J. Ingalls, reapplied by me to fit the occasion. This business institution lacks all of negative virtues of barbarism. It is one of the fallen angels of big business. To it duplicity is amusement, crowding others out of business a recreation, and the bankruptcy of its competitors a pastime. They pursue from purpose every object that should be shunned by instinct. It has the ferocity of a wolf, the venom of the adder, and the cowardice of a slave. The contemplation of its business deeds would convince the optimist that any system of morals would be imperfect that did not include a hell of the very largest dimensions. Its continued existence is a standing reproach to the New Testament, to the doctrines of every apostle, to the creed of every church, and to the detriment of American economy. In the business and political pharmacy of America it appears that we can find no antidote for this deadly poison.

(Mr. O'SULLIVAN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, it is no accident that repeal of margarine restrictions has called forth probably as many or more bills in this Congress and the last as any other subject. I trust the Congress will act now to bring about such repeal for the reasons that I shall set forth. My aim is the removal of discriminatory restrictions on a pure food product that has been too long hampered by Government edict in the supposed interest of another product.

Last year the sale of yellow margarine became legalized in Maryland. In my opinion, the action was long overdue; but Maryland now has yellow margarine. What are the results? None of the dire things that some threatened would happen, have happened. Our dairy industry is as strong in our agricultural economy as ever. Our housewives are buying butter as freely as they bought it before, and our farmers are selling butterfat as freely as before. Our consumers are using yellow margarine and nothing disastrous has happened or is likely to happen. But they find they are taxed when they buy yellow margarine. They find it is not as available at food stores as they would expect it to be. And they demand that this Federal tax and restrictions go the way of the old State law.

I also find that 30 States and the District of Columbia are in the same spot. State after State has been busy in recent years repealing and modifying antimargarine restrictions. This is right and proper. It is the exercise of States' rights—a most vital and fundamental principle in our democracy and constitu-

tional government. A majority of States has exercised this right in making yellow margarine available to their people. Yet, gentlemen, it is seriously proposed that Congress approve legislation that would absolutely prohibit yellow margarine everywhere. It is suggested that you overrule in the most arrogant way, and in the known interest of a product demanding special privilege, the freedom consumers enjoy in 30 States to choose between yellow-colored margarine and yellow-colored butter.

Seriously, can you gentlemen imagine the effect if the margarine mixing bowl is legislated right on the backs of the housewives of those States—not to speak of those other States in several of which strong movements exist to abolish restrictions on yellow margarine once and for all? I can. I know that in Maryland the reaction would be instantaneous and extreme.

Actually, it goes much further. The housewives in Maryland and in those other States that have repealed their outworn restrictions on yellow margarine have come right up against the present Federal law that taxes and restricts this product. Far from anticipating a return to the mixing bowl, gentlemen, these ladies are firmly expecting a repeal of the discriminatory taxes in the Federal law. In Maryland, for example, they have thrown out the ban on yellow margarine. Since then, they have been confronted with the Federal tax of 10 cents a pound on yellow, and the attendant restrictions. The result has been very plain. The demand for repeal of antimargarine legislation has not died down. Decidedly not. It has grown and grown. And, gentlemen, I can assure you that it will continue to flourish and nothing will make it flourish more than Federal legislation to outlaw yellow margarine.

The consumers of this great and rich country are not fools. They are using margarine because they like it and need it. They know, better than ever before, the real reason why the Federal antimargarine law still exists. They know that the butter interest, and that interest alone, has worked and worked to preserve this notorious monopoly. The testimony presented before the Agriculture Committee and this Congress amply shows that. I doubt if there is any issue of special privilege that is so well known to our people today. The butter lobby is the complaint of everyone who mixes coloring into margarine. It is unfortunate that the dairy industry has attracted such widespread hostility in the minds of its customers but the fact is undeniable.

If you will review all that has been said on this subject before the Agriculture Committee and Congress, it will be apparent that no new basic argument has been advanced for the retention of any restrictions on margarine. The same arguments that for years have been set forth to keep taxes and restrictions are now being turned around to prohibit yellow margarine. The case for special protection for butter is no better than last year or other years, even though that case has been presented differently.

I submit that the real testimony on this subject should come not from one certain group or another but from the group we are bound to remember. It is in the mind of the consumer who walks into the store and asks herself: "I can buy all food products in the form and color I desire them. The food industry competes to give me food products as I want them. Why is margarine the exception; why must I color my own margarine?" She shortly finds, if she has not already found, that the commercial interest, the butter interest, has sought to deny her yellow margarine. When she asks why, she is solemnly told that if yellow margarine is not restricted, she will be deceived and defrauded. But evidence on scores of pages of committee testimony refutes this tale. Practically all margarine is sold fully packaged and labeled—more fully labeled than butter in the matter of coloring—over the grocery counter. Here is not deception, but just plain, normal food sale. A small amount of margarine is sold through eating places.

The basic purpose of restrictions on margarine is to deprive. There is a philosophy behind the antimargarine arguments that is un-American. This is the philosophy that one industry is entitled to special treatment at the hands of Congress to the deprivation of all others and all consumers. It has been said frequently in the hearings that this is purely an economic controversy. This is not by any means altogether true, in my opinion, although the proposal to ban yellow margarine makes it seem so. This is a controversy that invokes principle, the principle of no special privilege. But in another sense, it is truly economic. It is a thing that involves not only margarine consumers but butter consumers—more often than not, probably the same persons.

It behooves the dairy industry to regard consumers as partners, not as a crop to be harvested. For whom are we primarily speaking? The great dairy corporations? The butter lobby? Let us here make sure that we do not put ourselves in the unenviable position, in which I fear much of the dairy industry now stands on account of antimargarine activities, of saying to the American housewife, "You are a crop to be harvested by the butter industry."

Gentlemen, the evidence is before you. It is not new. It is a tale twice told; we know it well. No real proof has been made that the butter industry is entitled to restrict margarine. Much real proof is available as to the demand for yellow margarine. Let us today repeal Federal margarine restrictions—it is high time—and go on to the many other things that have a valid claim on our time and attention.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. JACKSON].

(Mr. JACKSON of Washington asked and was granted permission to revise and extend his remarks.)

Mr. KEEFE. Mr. Chairman, a point of order. I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-six members are present; not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 60]

Bates, Mass.	Irving	Polk
Bennett, Fla.	Jacobs	Poulson
Bland	Jenison	Powell
Bolton, Ohio	Jennings	Reed, Ill.
Bosone	Judd	Regan
Boykin	Kearney	Rivers
Buckley, N. Y.	Kearns	Sabath
Bulwinkle	Kelley	Sheppard
Burke	Keogh	Sikes
Coudert	Kirwan	Smith, Ohio
Cox	Lesinski	Somers
Dawson	Lyle	Staggers
DeGraffenried	Lynch	Stanley
Dingell	McSweeney	Stefan
Durham	Macy	Stigler
Fellows	Marrow	Thomas, N. J.
Fogarty	Morrison	Wadsworth
Gilmer	Morton	Walsh
Gossett	Murphy	Welch, Mo.
Harris	Noland	Whitaker
Hart	O'Brien, Mich.	White, Idaho
Hébert	Pfeifer	Woodhouse
Hoffman, Mich.	Joseph L.	Woodruff

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 2023, and finding itself without a quorum, he had directed the roll to be called, when 360 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

(Mr. WHITE of California asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Washington. Mr. Chairman, I favor the Granger bill, H. R. 2023, repealing the tax and license fees on oleomargarine, but prohibiting the transportation, manufacture, and sale of yellow margarine in interstate commerce. I congratulate the gentleman from Utah for the fine job that he has done, together with his colleague, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who is cosponsor of this legislation.

The State of Washington, during recent session of the legislature, enacted almost identical legislation to that which is now before the House, except it was limited to intrastate business. The State senate unanimously approved the bill, and the State house of representatives by a vote of 95 to 2.

The oleomargarine interests have long been asking for removal of taxes and sales restrictions on their product, which they have characterized as discriminatory. They have maintained that no food product should be taxed, and that low-income groups are penalized by such taxation.

Leading dairy and farm organizations have freely conceded this point in at least three important annual conventions, and in literally hundreds of State and regional meetings. However, since the power to tax is the power to control, they have asked that some other regulation be applied to prevent widespread consumer fraud and deception in the

passing of colored oleo as butter, at butter prices.

This new dairy policy toward oleomargarine, freely adopted by thousands of dairymen and farmers in local meetings and recommended to this Congress by the duly elected representatives of the organizations involved, calls for a ban on the factory-coloration of oleomargarine in semblance of butter. This request seems completely reasonable to me, and I believe that it should be incorporated into any new oleo legislation that is passed.

It is obvious that some means must be found to protect both consumer and farmer, who would suffer alike from the unrestricted sale of yellow oleo. The consumer risks the possibility of outright fraud from unscrupulous dealers on the one hand, and a further reduction in our supplies of milk, meat, and similar dairy products, on the other. Both of these threats endanger equally the consumer's pocketbook and the national welfare.

The dairy farmer stands to lose, through unrestricted sale of yellow oleo, certain vital outlets for surplus milk. Cows produce more milk in summer than in winter, while consumption remains about the same. If we are to have year-around supplies of milk, we are bound to have a certain amount of surplus milk from time to time. Last year 26.9 percent of all milk produced went into butter, which is properly called the balance wheel of the dairy industry.

The demands of the oleo interests that they be allowed to impair this outlet can only be interpreted as another attack on small business by big business. Unless this Congress is prepared to reverse our long tradition of encouraging small-business men, it cannot logically sponsor the subjection of 2,500,000 dairy farmers to the selfish aims of a mere 28 oleomargarine manufacturers.

Milk is produced on three out of four American farms and provides the largest single source of cash farm income. The dairy industry supplies more than a quarter of all food consumed annually in this country, and is an important mainstay of the family-sized farm in every one of our 48 States.

The oleomargarine industry, on the other hand, displays a regrettable tendency toward concentration, with 65 percent of the business in the hands of only five giant corporations. The volume of oleo business has almost tripled since 1941 without the help of proposed legislation that would give its monopolistic leaders the unrestricted right to imitate butter's naturally yellow color. I see no need for giving them further advantages over the farmer, to whom butter markets are an absolute necessity.

No one wants to deprive consumers of oleomargarine, and the bill I favor would make it freely available to every housewife in its most economical, uncolored form. However, oleo should be sold for what it is and not in imitation of butter. In that way the farmer would be protected against unfair competition from a substitute product, and we would continue to enjoy the supplies of milk and meat that have made this country the best-fed nation on earth.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. CARROLL. I notice that H. R. 2023 has had its declaration of policy stricken from it. In that declaration of policy it, in substance, attempts to set forth the danger of sending oleomargarine in interstate commerce. I wonder what comment the gentleman has to make about the analogous situation that exists with reference to the eighteenth amendment to the Constitution.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman from Washington one additional minute.

Mr. CARROLL. The eighteenth amendment to the Constitution attempted to prohibit the sale and transportation of liquor within interstate commerce.

Mr. JACKSON of Washington. I think the answer to the gentleman's question is that in the case of the eighteenth amendment the action of the Congress was directed to intrastate prohibitions as well as interstate. This is limited entirely to interstate commerce, and I think it is constitutional. I believe the Congress has the right to prohibit transportation in interstate commerce of colored oleomargarine on the basis of fraud and the confusion that might exist in the minds of prospective purchasers. I think the legislative history, the hearings, and so on, will demonstrate the fact that such is the intent of the Congress. It may be helpful to have that declaration of policy in the act.

Mr. CARROLL. Does not the gentleman think the State governments are capable of exercising their own police power to protect their own citizens?

Mr. JACKSON of Washington. There is no infringement upon the police power of the States in this bill. This bill gives to the Federal Government a right which it always has had, namely, Federal police power in the movement of goods in interstate commerce.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. COOLEY. Mr. Chairman, I yield one-half minute to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, since the chairman of the Committee on Agriculture, who favors the repeal of this unfair and discriminatory legislation, restricting the sale of oleomargarine, in his desire to be fair, has permitted those who are supporting the butter lobby to usurp approximately three-quarters of the time allowed in general debate on this bill, thereby precluding many of us who favor the fair and unrestricted sale of oleomargarine from expressing our views on the floor, I hereby respectfully request permission to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, for approximately 2½ hours I have listened to the general debate on the bills which seek to eliminate the unfair and discriminatory legislation which has attempted to prohibit and restrict the sale of one of America's most popular nutritious foods. In the debate here this afternoon, we have listened to the prejudiced remarks of those who seek to favor one or the other of two great industries. At the same time we have heard little said about the principles involved in this legislation, and, in my opinion, too little importance has been attached to what I believe has been the paramount issue in this question. After more than a half century the butter lobby, realizing that it is fighting a losing battle, has finally agreed that all Federal taxes on oleomargarine should be removed, or more correctly stated, the butter lobby is attempting to lead the people to believe that it favors the elimination of taxes on oleomargarine, but at the same time would impose even more discriminatory legislation prohibiting the sale of yellow margarine in approximately two-thirds of the States of the Union.

To me the provisions of the proposed Granger-Andresen bill, H. R. 2023, as reported from the Committee on Agriculture, where the butter lobby apparently enjoys a majority with a one-vote margin, is evidence that the butter people know when they are licked and are now seeking a compromise.

In my opinion, the American people, particularly the American housewives, are not interested in a compromise, and I feel that now is the time, and here is the place, to settle this issue once and for all on a basis that will leave no grounds for any misunderstanding. I believe that the following editorial taken from the March 8, 1949, issue of the New York Times sets forth most clearly the issue which is confronting Congress today, and for that reason I am including the editorial at this time:

NO MARGARINE COMPROMISE

Ever since Congress failed last year, in the rush of other business and election-year politics, to complete action on a repealer of taxes on margarine, the butter lobby has been busy dreaming up new strategy. Last fall it thought of the device of an outright prohibition against the making of yellow margarine. To this it has added the churning up of dire threats on what would happen if margarine were put on an equal competitive basis with butter, free of discriminatory taxes. We are told that communism would increase in the United States, that farm lands would be depleted more rapidly, that new dust bowls would be created, that the cow population would be decreased.

It is evident that the butter lobby is fighting a losing battle. But it lost that battle first on the housewife's market list. Margarine has been accepted by the American household as an acceptable, nutritious food that could be bought at a price considerably below that charged for butter. The declining tonnage of butter production and the increasing tonnage of margarine production through the years tell the story. As long as the butter producer cannot meet the price competition of wholesome margarine, margarine will continue to sell in large quantity. The heavy discriminatory tax on colored margarine has not succeeded in preventing the greater use of uncolored margarine, and neither will an unfair prohibi-

tion against coloring margarine at the plant, which the butter lobby now proposes in a compromise last-ditch fight in which they have at last conceded failure on the unfair tax.

The public wants its margarine colored yellow. The butter producers themselves use artificial coloring, at least at certain seasons, to make the appearance of their product more attractive. The housewife is entitled to emancipation from the chore of coloring her own margarine in the kitchen. Enact whatever law is necessary to protect the consumer, in store or restaurant, from being deceived as to what he is buying. If the decline of butter consumption affects the public welfare through unduly depressing the dairy farmer's income, then let us attack that problem directly through general legislation. But let Congress, as a matter of principle, make a clean break from its long-time servitude to the butter lobby.

Why does margarine exist at all? Because it offers a needed food at equal or lower cost. That is a fundamental success principle in our economic system. Why has margarine steadily increased in consumer favor and become an indispensable item of the American diet—despite the restrictions the butter industry has mistakenly tried to heap on its legitimate competitor? Because margarine is a pure-food product—economical and nutritious. The dairy industry should take a longer look into its own yard. Consumers are doing so—and I may say that nothing has so stirred up interest in what the dairy industry is about, than the mounting demand for repeal of margarine restrictions.

When I was a boy, for example, milk was milk—full of rich smooth cream and accepted as such. Milk like that seems to have disappeared. Instead, your bottle of what is called whole milk today contains a prearranged and standardized amount of cream. You will not find it coming very far down the narrow neck of that milk bottle. Even certified milk, the best grade, requires cream content of only 4 percent. In my own State the requirements for cream content vary but they are not over this figure, yet Missouri milk in 1947 contained an average of 4.3 percent butterfat.

The name "whole milk" today is a legalized, watered-down myth, like the legalized myth of nonfat dry-milk solids, by which pompous torture of the language the industry really means dry skim milk. Obviously, it is profitable to withdraw part of the cream and put it into butter. Obviously, it is even more profitable if you can vote taxes on butter's competitor. It all fits into a pattern that, together with the fantastically complex system of pricing milk products, drives the consumer to an immediate and natural conclusion that the dairy industry is out to get her and that the well-heeled antimargarine propaganda is a concrete demonstration of that fact. When she learns that the butter interest alone wants margarine prohibited; when she is solemnly told that butter is somehow the basis for fixing prices on milk from which butterfat has been removed—she can hardly be blamed for finding vigorous fault and it is no wonder that dairy-industry leaders are faced with probably the worst case of bad industry public relations since the days of the trusts.

It has been interesting to me to note what many of the speakers have said with reference to maintaining dairy herds to provide the rich, wholesome milk for the youth of our Nation. Yet, today we find those who control the distribution and who fix the price have apparently forgotten the basis upon which they base their slogan that "milk is a food." They have continuously and consistently robbed milk of much of its food value in their greedy efforts to promote the sale of more butter, cheese, ice cream, and other products, and have thereby robbed the public of what it has a right to expect in whole milk. If the dairy industry wants to be fair, it will spend more time, effort, and money in publicizing the value of and encouraging the use of whole milk, and refrain from forcing the public to rely on skim milk with its low butterfat content.

It is common knowledge in my State and I think the practice is general throughout the Nation, that the larger distributors and processors of milk have entered into agreements among themselves to fix the price of milk, thereby robbing not only the consumer but the dairy farmer who is dependent upon them for an outlet for his product.

In the consideration of the legislation here today, I think Congress should be guided not by the claims which have been made either by the producers of butter or oleomargarine, but should vote for what is fair and just which will give the people an opportunity to purchase the product of their preference at the lowest possible price. In adopting the provisions of the Poage bill, I think we will go a long way in correcting an evil which has existed for more than a half century.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SMITH].

(Mr. SMITH of Wisconsin asked and was granted permission to revise and extend his remarks at this point in the RECORD.)

[Mr. SMITH of Wisconsin addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ABERNETHY. Mr. Chairman, will the gentleman from North Carolina yield for a consent request?

Mr. COOLEY. I yield.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier today.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUTTON].

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. SUTTON. Mr. Chairman, I personally would like to support the Granger bill for I have many dairy people in my district, and there are many dairy people in the State of Tennessee; but I do not feel that the Granger bill protects the dairyman at all, nor do I feel that the Granger bill protects the housewife at all.

Should this bill be amended on the floor whereby it will protect the dairyman

and the housewife from fraud then I will support it 100 percent. In its present form I feel that it protects neither the housewife nor the dairyman. I hope the House will correct the evils of this bill, so that the dairyman, housewife, and the American people will be protected and in so doing I believe we could have a bill that we would be proud to present to our peoples.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I think the situation in the House this afternoon must be mighty interesting to the industrialists of the country and the world: To see the farmers of one section of the country fighting the farmers of the other section of the country.

Mr. Chairman, I am opposed to any tax on food. That is the reason I have never yet in my life either in the legislature or in this Congress voted for a sales tax; unless I have some further light that I do not have now, I never will. I want the women of America to buy this oleomargarine as cheaply as they can get it, but under the provisions of the Poage bill and that of other gentlemen in the South who are interested in their products, it seems to me that you are preventing the housewives of America from buying this oleomargarine at the right price, because all it will do will be to bring profits into the hands of those who manufacture oleo. Just the moment they color it and send it out through interstate commerce into the various States of the Union the price of that stuff, experience shows, goes up from what it is actually worth by as much as 20 cents a pound, and these housewives will have to pay too much for oleo merely because it is colored. I wonder what they want to color it for anyway. It is the same thing, is it not, whether it is colored or uncolored? All of which makes me think of a partner I had in the law business at one time. He was a Democrat, and he was Governor of a Republican State for three terms in succession; he was a great man; he was Treasurer of the United States. He was not particular about anything, but his wife was fastidious. She said to him one day: "John, the fellow that brings that milk is bringing us dirty milk." "Well," John said, "that is all right; we have got to eat so much dirt anyhow in our lifetime." She kept digging after him until finally he got aroused. Mrs. Burke saw the milkman coming and she said: "John, tell him about that dirty milk." So John met him at the door and he said: "I don't want to make you feel bad or discourage you in your business, but if you bring the milk in one pail and the cow manure in the other we will mix it ourselves."

It seems to me that if the housewives can buy this oleo, take it home and mix it with yellow coloring matter they will get a cheap product in more ways than one.

I am willing to follow the advice of some of the good Democrats in this House. Just because you voted against me two or three times the other day does not change me from making the statement that there are some great Demo-

crats left in this House. I am willing to follow the advice of the gentleman from Utah [Mr. GRANGER], the gentleman from Missouri [Mr. CHRISTOPHER], the gentleman from North Carolina [Mr. CHATHAM], and the gentleman from Nebraska [Mr. O'SULLIVAN]. It seems to me they have made a better argument on this bill than I could make.

In North Dakota we are receiving the full blast of what you are doing in substituting this material, as our dairy herds shrunk 28 percent in the last 2 years. You are selling a substitute. It is the purpose of the manufacturers to sell a substitute that will take the place of butter. They intend to capture the butter market by selling a substitute. If I am in this Congress next time—I do not think I will be because I am going to run for the Bureau of the Budget so I can control the Congress.

It seems to me if the Congress passes the Poage bill it will simply put in the hands of the manufacturers of this material a chance to make huge profits off the housewives of this country. In the Granger bill they cannot ship that stuff out mixed. They have to ship it out raw, just the way it is. You know people like to be fooled and I think that will fool a lot of them. It looks like butter, it tastes like butter, and you say it is better than butter.

If I am here 2 years from now, do you know what we will be doing? We will be passing a law to substitute synthetic milk for the real thing.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. DAVIES].

[Mr. DAVIES of New York addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, as a member of the Committee on Agriculture, representing one of the northeastern dairy States, it became necessary for me, reluctant though I was to do it, to differ with my colleagues from other dairy States and to support in that committee, as I now support on this floor, the Poage bill rather than the Granger bill.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from North Carolina.

Mr. REDDEN. The gentleman's State is not affected by this bill or the Granger bill or the Poage bill, is it?

Mr. COTTON. I say that every State is affected by these bills, and I will demonstrate to the gentleman in a very few moments that my State is vitally affected by the Granger bill and would be by the Poage bill.

Let us return, first, to the crux of this situation. As has been said by the distinguished chairman of the committee, you have before you three propositions: You have the Granger bill; you have the proposition which may be made that we

simply repeal the tax; and you have the Poage bill.

Now, Mr. Chairman, the Granger bill, of course, repeals the tax. The Granger bill is either a ban on yellow oleo or else it is not, and all this argument and talk about amendments that have been adopted and amendments that may be adopted comes down to one proposition, that if the Granger bill does not either prevent or make it exceedingly difficult to get yellow oleo in those States where people want it and the legislatures legalize it, then it certainly is no defense for the farmer, and if it does mean anything it means a ban on yellow oleo. That is indicated in the language on the third page of the Granger bill, and whatever may be the situation in some States, the State that I represent, which has no manufacturers of oleo and which, because of the fact that it is small and has not a large population, would probably never be able to support a manufacturing establishment for margarine is, to all intents and purposes, banned by the Granger bill.

Mr. Chairman, knowing that the Legislature of the State of New Hampshire within a few days or weeks from now will vote on whether or not they will repeal the present State law which forbids colored margarine within that State, I could not in the committee or in this body cast my vote for a bill which says to my State and to its legislature, "No matter what you do, no matter how you vote, we override you, and you cannot have it." That is why I cannot support the Granger bill. That is one reason. I cannot support now, and I did not support 2 years ago, a proposition that would simply repeal the tax, because it is my belief that having for a period of 60 years maintained this tax on colored margarine—and I agree with everyone else that it is an unsound and improper approach to the problem, but it was adopted by Congress and maintained by Congress—and Congress recognized that the dairy farmers of this country are entitled to certain protection, and that their contribution both to the soil and to the country's economy is of sufficient importance to entitle them to consideration. I believe that when that tax is repealed, the dairy farmer is entitled to have some protection thrown around him to take the place of the tax. I do support the Poage bill. I support it because I think it is the fairest proposition that has been presented in this Congress for the consumer, the public, and the farmer. I believe it is fair because, first, it repeals the tax, and second, it endeavors insofar as it is possible, to differentiate and distinguish yellow margarine served in public places. I cannot believe there is any great problem involved when the housewife goes to the store and buys a package of margarine to take home to use in her family. She can read printed on the package exactly what is in it. But nearly 40 percent of the meals in this country are consumed in public eating places. I believe that the dairy farmer has a right, Mr. Chairman, just as the manufacturer of tires has a right, to have his product distinguished. I believe the dairy farmer has

the right to have his product distinguished and have us see to it that, when people go into a public eating place and a yellow spread is put upon the table, those who want butter and are willing to pay for it, and who constitute the market for the dairy farmers of this country, shall receive it. The Poage bill not only provides for a sign, and that, of course, might be put up behind a hatrack or somebody's coat, but it provides that every serving put on the table shall be either on a pastboard plate that bears the printing "oleomargarine" or shall be accompanied by a card that says it is oleomargarine. I believe that is a fair and just protection for the farmers.

If we are going to end this controversy which has been going on so long, if we are going to settle it we have to settle it right, and we have to settle it in fairness to all parties. It is for the advantage of the consumer and the farmer alike that it shall be so settled.

Do you realize, Mr. Chairman, that nothing has advertised oleo so much and hurt butter so much as this constant controversy? Oleo has been made a martyr of, and they have had free more advertising from these struggles in Congress and in the various State legislatures than could be bought by all the money they have spent and are spending for advertising.

So I suggest that for the advantage of the people and the farmer alike we relinquish the tax, we protect and distinguish the product, and, in addition, we protect the rights of the States. The Granger bill says to the States, "Even if you want oleo you cannot have it." The Poage bill does not say to any State, "You must have it." It still is within their power to say whether or not they shall have it.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I should like to ask the gentleman this, because I think it needs to be emphasized. In my State we expect a vote next week on whether or not to lift the prohibition on margarine. As the gentleman has said, the Granger bill would prohibit the State of Pennsylvania from deciding that question. Is not that correct?

Mr. COTTON. I will answer that in this way. I recognize it is the sincere claim of the proponents of the Granger bill that a factory in Pennsylvania can manufacture and sell to the people of Pennsylvania yellow margarine, but let me remind you of this: On page 3 of the bill, near the bottom of the page, referring to interstate commerce, appears the language that commerce "includes the possession, transportation, serving, or sale (whether or not the first sale) of articles within a State."

Furthermore, when you realize that the Supreme Court of the United States has repeatedly extended interstate commerce until it includes almost every kind of business, until the man who repairs an elevator in a building where an office is occupied by a firm in interstate commerce is himself in interstate commerce, and a lighthouse that throws its rays

across a State line, even though it buys its electricity within the State, is in interstate commerce, then you can understand why I do not trust this interstate commerce clause. I believe the Granger bill will only bring confusion.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman was probably absent when it was said, and I stated it, that amendments would be offered to clarify that commerce section so there would not be any question about it. I am sure he feels I will offer that amendment.

Mr. COTTON. I appreciate that statement. I know that the gentleman from Minnesota, with his knowledge of the subject and ability, will do his best in that line.

However, this bill, when it is completed, will be either a ban on oleo or not. If it is not, it does not give the farmer the protection the Poage bill gives. If it is a ban, you can amend it all you want to, it is still a ban.

Mr. AUGUST H. ANDRESEN. Of course, it is a protection for the farmer because it stops the interstate shipment of yellow oleo.

It is not as much protection as I would like to have for the farmer. It does stop the shipment in interstate commerce and leaves it to the respective States to decide what they want to do in the sale of yellow oleo, within the State.

Mr. COTTON. I thank the gentleman for his statement.

Once more, as in other years, we in Congress are receiving floods of telegrams and letters calling upon us to stand by the farmer or to fight for the consumer. Both are injured by this conflict, which will continue as long as discriminatory laws exist. Both will benefit when butter and margarine, clearly labeled and identified in the package and on the table, receive equal treatment by law.

I believe that most dairy farmers as well as most consumers want only what is fair and just. I believe the Poage bill is fair to both, and that is why I am for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 1 minute to state that even if the Granger bill is amended so as to make it apply definitely and only to interstate commerce, we surrender oleo into the care and keeping of the several States, and deprive it of the protection that is now afforded by the Food and Drug Administration. Under such circumstances yellow oleo once within the borders of a sovereign State could be sold as butter and frauds without end could be perpetrated on an unsuspecting public. That is the reason the gentleman who has just spoken has emphasized the fact that the Granger bill does not afford any protection against possible fraud. The cry of the butter industry from the beginning of this fight until the present time has been that they were anxious to protect the housewife and the American citizens from fraud.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman who is addressing you feels that the States can, by their State legislatures and State laws, properly enforce the law within the State.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. COMBS].

(Mr. COMBS asked and was given permission to revise and extend his remarks.)

Mr. COMBS. Mr. Chairman, both sides of the question on these two bills have been discussed rather thoroughly on the floor. I wish to take this opportunity to explain my position. During the last Congress when the so-called Rivers bill was before us, I opposed it. I opposed it because it offered no protection to the American people in the way of identifying what they were eating at their table and in the public eating places of the country, or what they were buying in the stores. Colored oleo could have been sold for butter, and so served in restaurants.

I offered an amendment at that time which would have taken off every penny of tax, but which would have required the product to be identified all the way down the line, in grocery stores and on the tables in public eating places. The Poage bill does that. If the Rivers bill were here now, I would oppose it. But I find myself deserted by the people of the dairy States in going over to the Granger bill which would prohibit the shipment of colored oleomargarine in interstate commerce. But it would permit the manufacture, sale, and serving of colored oleomargarine within the State without requiring any mark of identification whatever.

In my judgment, the Granger bill, instead of protecting the American housewife and the American dairyman, would legalize fraud and encourage oleo bootlegging all over the Nation. As between the two bills I shall support the Poage bill, because it requires the colored product to be identified all the way down the line. It leaves the States free to take care of the situation within the State, which is proper. Any State can regulate the manufacture, sale, and serving of oleo within the State or prohibit it altogether, and the Poage bill removes all taxes on oleo and oleo dealers just as does the Granger bill.

So as between the two, it is the better of the two bills.

I want to add this. This is not the last time we will be considering questions of this kind, because these modern-age scientists are making all kinds of synthetic food products. They say they can make beefsteak out of sawdust. Down my way they are learning how to make sirup out of sawdust. They want to use it in making cattle feed the same as blackstrap molasses is used. The only trouble is that sawdust sirup kills the cow.

As far as I am personally concerned, I will not eat oleomargarine if I know it, and I have a right to know what I am

eating. The Granger bill gives me no such protection. I want butter, as far as I am concerned, and I want other natural food products, too.

A hearing was held here in Washington a week or two ago where some wise guy wanted permission to substitute a chemical for shortening in baking bread. The Germans used a lot of ersatz, and the children of Germany suffered on account of it. Now they are treating the German children for ailments caused by the use of ersatz. We are going to be facing that problem in the future.

During the last Congress when the Rivers oleo bill was under consideration and I was opposing it because it offered no protection to the dairymen or to the public by requiring identification of colored oleo, our friends from the dairy States here in Congress agreed with me and most of them I think supported the amendment I offered. My amendment would have removed the taxes but would have required identification of colored oleomargarine just as the Poage bill does. I am sorry to note that you fellows from the dairy States, who agreed with me then in the necessity of protecting a natural product of the farm, butter, by assuring it fair competition with a synthetic product have abandoned that position and lined up behind the Granger bill which would bar interstate shipment of colored oleomargarine. There is nothing deleterious about oleo, though I do not want to eat it. It is a wholesome food and there are those who do want it and I want them to have it as cheaply as they can get it. I simply want to keep the American people free to choose and to eat what they want to eat. Let the butter people advertise their product as nature's own. Millions of American people prefer it and will buy it and use it. I am not afraid of oleo competition for the dairy interest of my district and my State if we shall insure by law that they will not be undermined by a synthetic product through deception and the fraudulent sale of an imitation product.

Civilized people everywhere have been eating butter since the day when the promised land was described as a land "flowing with milk and honey." People are not likely to abandon the habit of eating this wholesome food in exchange for an ersatz product. Let us keep the competition between oleo and butter fair and open as the Poage bill does and let the American people take their choice.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

(Mr. MARSHALL asked and was granted permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, I am going to take a few minutes this afternoon to review a little past history. I am a freshman Congressman. I am here for the first term. I do not know all the ins and outs of Congress. However, back where I come from and in the Midwest we have learned to appre-

ciate what our friends in labor have done for us in an agricultural way.

There are a great many farmers in the Midwest who realize that they would not have had agricultural legislation which has been placed upon our statute books, and which has been good, had it not been for the support that the representatives of labor have given. I remember well during November how the farmers in the Midwest responded, and how the radio commentators said, "When the farm vote comes in, it is going to change the tide." The farm vote came in. The farm vote came in from the Midwest, and because that farm vote came in from the Midwest, the Nation took on a new lease on life. I was not here very long before I began to realize that some farmers in the United States did not have that appreciation for what the friends of labor had done for the farmers of the United States. I rather regretted the remarks of our very able Majority Leader recently when he said the farmers do not support legislation which the people in labor want. I wish to inform the Majority Leader, and others who may be interested, that the people here who are supporting the Granger amendment went right down the road with you 100 percent in supporting the kind of legislation which you wanted.

I could not help but notice that the fine gentleman who is the author of the bill being proposed to be placed on the statute books instead of the Granger bill seemed to be spending his time walking across the aisle, trying to make what appeared to me to be some sort of compromise. We are interested in legislation affecting the farmer. The farmers in the Midwest are looking to this Congress for legislation, for agricultural legislation, for legislation which should be placed on the statute books that will provide the security in farm prices that they need and that they are expecting of this Congress. They did not like the uncertainty of the farm legislation that the Eightieth Congress placed on the statute books. They also do not expect to go along with a temporary extension of price support; they want an agricultural program that is a basic program, with some degree of security, one that they know contains some of the things that will stay; they do not expect Congress to make changes each year it meets.

The people of this country expect to have programs placed on the statute books that will take care of our health needs, our educational needs, our social-security needs; and they expect to have placed upon these statute books programs which will maintain our national revenue, our national income, that will give jobs to the workers in this country, and will provide a market for agricultural products in this country.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, after long years of debate on the subject of

margarine and butter, and after the long hours of debate in the committee and on the floor of this House which is now coming to a conclusion, I believe there are certain clarifications which can be made which will end anything in the way of confusion that may becloud the minds and decisions of some of the Members. If we look back just a little way in our history we will recall very well the days when nothing about margarine was all right; it was not a fit product for the American table. Gradually that argument was abandoned. Then it became a product which was discriminated against by means of excessive taxation. As we come here today we find the opponents of margarine willing to abandon that position. We find them willing to abandon every position except that they oppose the use of the color yellow in margarine.

Mr. Chairman, there must be some compelling reasons why as the years have gone by that the dairy interests have retreated from one position to another. I believe those reasons can be narrowed down to two: First, in a free economy such as ours it is simply not right that any industry be able to handicap another American industry. That truth simply cannot be hammered down. Secondly, there is another fundamental truth which has gradually beaten back the opponents of the free sale of margarine, and that is that the American consumer has the right to go into the open market and purchase what he pleases with his own money. Mr. Chairman, these two points will continue to be the effective weapons by which the American people and a legitimate American enterprise will some day, and I hope within the next few weeks, achieve the right of every other American industry to do its business in a normal way free from handicaps imposed by any special interests.

Now, then, various minor arguments have come into this debate. There was the argument regarding protection from fraud, which I believe the Poage bill satisfactorily meets. There was the argument regarding the general economy, the argument regarding what is going to happen to the price of margarine, the latter leaving me under the impression that there is no law of supply and demand any more; at least not so far as this controversy is concerned. Mr. Chairman, the price of margarine will be determined as it always has been determined by the number of customers desiring the product and the supply of it available.

The matter of the health of our children has been brought up. Let me say that in recent years of our history there has never been margarine enough and butter enough produced to provide an adequate supply of fats and oils for the people of the United States. According to the United States Bureau of Health, we have never had in the combined production of both products an amount which they recommend for public health. Very frankly, I believe there is plenty of room in the American economy for both of these products. In my opinion, the

American consumer should have the right to buy what he pleases and I believe the American enterpriser, who is just as much a taxpayer as anybody else, should have the right to produce and market his product in the free American way.

Mr. Chairman, I hope, therefore, that the Poage bill will be passed by this House and by the Senate so that we may have an end to this controversy and an end to this un-American handicap to an American business.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is familiar with the Poage bill. May I ask the gentleman if he does not think the Poage bill contains just about every conceivable protection against possible fraud?

Mr. CORBETT. I honestly believe the provisions to protect the consumers and the producers of butter are too severe if anything.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, for further identification, and due to the fact that there has been some statement made on this floor regarding the position of labor, I might make known the fact that for the past 25 years I have been identified officially with the American Federation of Labor in the city of Minneapolis. I have had a close relationship in my position in the labor movement with the very essential industry of agriculture and dairying. So I want to say that the oleo interests are wrong in believing that they have the labor vote in their pockets.

Mr. Chairman, their demand that they be given the unrestricted right to color oleo yellow in imitation of butter threatens the jobs of 10,000,000 Americans who depend upon the dairy industry for a living.

Labor has nothing to gain from such people and everything to lose. In the dairy industry labor is thoroughly organized. Union wage earners include the employees of 3,500 local creameries and 40,000 plants turning out additional dairy products in every one of our 48 States. For example, the dairy industry is the largest single user of motor trucks in the world. Their drivers have a direct interest in the outcome of the butter-oleo controversy, but automotive workers also have jobs at stake. So have the thousands of employees of the dairy supply and equipment companies.

By comparison only a handful of workers are employed by the 28 oleo manufacturers in this country. Five of these corporations control 65 percent of the oleo business.

It is only common sense for unions to oppose anything that will dislocate the dairy industry, because once such dislocation starts it can reach into the pocket of every wage earner in the United States. Milk is the largest single source of farm

income, and only prosperous farmers can buy the products of union labor.

When farmers have to sell their dairy herds and turn to other occupations because of unfair competition for surplus milk outlets union labor loses its best customers. Moreover, about 40 percent of our beef and veal come from dairy herds. There is no advantage in risking scarcities and higher prices in those lines in return for doubtful promises of cheap oleo.

Union workers in my district feed their children plenty of milk, meat, and butter. That is one reason why I am today taking the floor to lend my humble efforts to protect the dairy interests.

Mr. Chairman, I should like to present a few facts to show why the dairy industry has a rightful claim to the traditional yellow color of butter.

The dairymen want to protect their inherent right to the yellow color of butter and they want to protect the consumer from unsuspecting purchases of yellow-colored substitutes. Dairy farmers are perfectly willing to compete with a tax-free butter substitute on the market. They ask only that oleo be sold in its uncolored form.

Dairying is the mainstay of agriculture and has been since man first domesticated animals. Dairy products are the diet mainstay of every American family. You have all heard children run into the kitchen and ask, "Can I have some bread and butter, Mom?"

I am sure that most of you made that request yourselves many times when you were younger. Maybe some of you still do. But do any of you ever remember hearing a child say, "Can I have a slice of bread and oleomargarine, Mom?"

When a child asks for bread and butter, he trusts his mother to give him real butter and not an imitation colored the traditional yellow of butter. The same is true of the adult consumer when he orders butter in a restaurant or buys it in a store—he wants the real product and not a substitute dyed yellow in imitation of butter.

I repeat that yellow is the traditional color of butter. Ask any child of kindergarten age the color of butter, and he will tell you that it is yellow.

Butter has not been yellow just since the Civil War, or since the War of 1812, or since the Revolution. It has always been yellow. The phrase "I know which side my bread is buttered on" is first recorded as an old English quotation in a book published in 1546.

Butter is not a product that came on the market in the last few years. The Democrats or Republicans had nothing to do with its origin, and neither did big business or modern synthetic chemistry. If you could turn back time 100 years or 200 years, or even 4,000 years B. C., you would find people milking cows or other animals and making butter.

Our history books tell us that the written history of man does not reach back to the beginning of the domestication of cattle, nor is there any record of the date when cows' milk was first used or when butter was first made.

We do know that, wherever civilization has flourished, people have depended

largely on dairy products for a balanced diet. One of the oldest buildings unearthed near Babylon by the University Museum of Philadelphia and the British Museum, reveals a milking scene that had been sculptured on one wall. This building is believed to be 6,000 years old.

The Egyptians, whose civilization is believed to date back to 4,000 B. C., left many pictures showing the use made of cattle in their day. Cattle herding, breeding, and dairying were common to them. The Greeks, who had herds of cattle themselves, often referred to Italy as a country of cattle. History records that tribes from northern Europe invaded Italy and appropriated not only the arts and culture, but also the industries of that civilization, which included the art of butter making.

Quoting from the Bible, we read in the Book of Proverbs, chapter 30, verse 33, "Surely the churning of milk bringeth forth butter." This and other references to butter in the Bible suggest that butter has a very long tradition.

Let us turn to our American history. Is there any child who has not learned that the first colony was established in Virginia in 1607, and that the Pilgrims landed at Plymouth in 1620? Jamestown imported its first cattle in 1611, and by 1618 had 300 cattle. The Plymouth settlers existed 3 years without cattle, but the mortality rate of infants was 50 percent before the sailing vessel *Devon* made its way to their shores with three cows in 1624.

What were the last items our great-great-grandfathers tied on the backs of the prairie schooners before they started their long treks toward new homes. They were the old wooden butter churns, and the family cows.

An unabridged dictionary shows various species of flora and fauna with names derived from the dairy product because they were yellow, like butter. There is the buttercup, so called because of its butter-yellow color; and the butter-and-eggs plant with its flowers of yellow. There is the butter bean, the butter weed, the butterfly, and the butter head, naming only a few. The names are all derived from butter because of their color. As far back as English literature can be traced, the color yellow has been associated with butter.

It is true that the tint of butter may vary with the seasons, but it is always yellow. It also is true that butter is dyed during a certain season of the year, not for the purpose of deceiving the consumer but to keep the product uniform. Butter—real butter—can be identified at sight only by its naturally yellow color. For this reason dairy farmers have always sought to protect their livelihood and the consumer's pocketbook against butter imitations colored yellow in semblance of butter. Yes, yellow is the color butter; but to the oleo interests, yellow is the color of gold. Oleo seeks to imitate butter for profit.

There are no similar substitutes for other basic food products. There is no such thing as an imitation potato, for instance, or an imitation egg, or an imitation loaf of bread. The dairy industry does not seek to deprive anyone of oleo-

margarine, provided the substitute is sold for what it is and not in the guise of butter. For this stand the dairy industry has sound legal precedent.

I would like to quote from a letter published in the Washington Evening Star of January 13 and written by Charles M. Fistere, legal counsel of the American Butter Institute:

It is a fact well known by food enforcement officials that there are certain basic deceptions which are sometimes employed in the preparation of foods which are not correctible by any form of label statement. The use of artificial color for the purpose of simulating a valuable food probably is the foremost example of this type of deception.

The Food and Drug Administration, throughout its rulings, has been sensitive to the deception caused by the use of artificial yellow color in foods which makes them appear to contain eggs. The use of yellow color is forbidden in such foods as macaroni and noodle products, mayonnaise and salad dressings.

The circuit court of appeals has upheld the Food and Drug Administration in its contention that white poppy seeds, artificially colored to resemble more valuable Dutch blue and Turkish grey poppy seeds, are adulterated.

In a 1940 opinion, the Food and Drug Administration said, "bakery products, or any other food containing pumpkin, which gives the appearance of having an egg content when no eggs are present, or a greater egg content than is the case, would be an adulterated article under any form of labeling."

Artificial coloring may not be added to tomato puree or other tomato products.

A truthful label statement that artificial color has been added would not be a successful defense to a charge of adulteration in any of the above illustrations. Yet, inadequate regulation of yellow oleo would relegate any of the above foods to the "chicken feed" class as a source of booty to the unscrupulous because of the large margin of profit involved and the closeness of the resemblance of yellow oleo and butter in appearance and taste. * * *

The sound principle upon which the dairy industry's policy is based was once expressed by a Food and Drug official who, after 30 years' experience in protecting consumers from deleterious foods and economic fraud, said, "It is our experience in law enforcement that the purchaser is guided many, many times in the identity of a product by its flavor, its appearance, its physical properties, regardless of what statements are made on the label, with respect to artificiality or coloring, as the case may be; and it is one of the fundamentals of law enforcement procedure that such effects, resulting from appearances and flavors, when they are deceptive, are not correctible by label declaration."

Oleomargarine manufacturers have been allowed to imitate the taste of butter by adding diacetyl. They have been allowed to add preservatives such as a benzoate of soda, which are not used by the butter producers, in order to keep their products palatable until it can be sold. They have been allowed to fortify their butter substitute with vitamin A in an attempt to approximate the nutritional value of butter. They have been allowed to imitate the texture of butter by adding skim milk to their product. They have been permitted to illustrate their advertisements with pictures of pastures and barns to suggest the wholesome freshness of butter.

Speaking of advertising, the soap-opera crowd that controls a large part of

oleomargarine production in this country has not limited its bad taste to phony use of farm scenes, to squeeze an extra bit of profit out of the misled consumer. It has recently made unauthorized use of the name of a famous actress, a southern girl, who is the daughter of a former Speaker of this House, and the niece of a former United States Senator, to advertise another of its products. For this the soap-opera boys are very properly being sued for a million dollars in damages, proving that there are limits to which commercialism can go in borrowing names and attributes of others to peddle a synthetic product. If good taste and dignity and the virtue of quality still have any meaning in this country, I invite my southern friends among the Members of this House to take another look at the company they are keeping by supporting the oleo side of this controversy. Those are things that the South has always held dearer than mere money, but the soap-opera crowd puts profit first and other things second.

The fact remains that the dairy industry has a tremendous bearing upon the national economy, and upon the national welfare in matters of health and diet. Dairy products comprise more than 25 percent of all food consumed annually in our Nation. More than 10,000,000 Americans are dependent upon the dairy industry for their livelihood, including those in allied industries and the families of employees.

There is still a need for protecting them, and for safeguarding the housewife against fraud and deception. There is still a need to protect the restaurant patron against yellow oleo served as butter. More than 65,000,000 meals a day are served in the Nation's restaurants. Diners who get oleo instead of butter are being cheated, and so are the youngsters who ask their mothers for bread and butter and get bread and oleo.

Each year since 1940 American agriculture, in spite of all handicaps, has come through with larger and larger crops—these in times of most acute world needs. Now the time has come for readjustments and a return in larger measure to the soil-conservation program adopted as a national policy by the Congress and administered by the United States Department of Agriculture. In this connection we can paraphrase Oliver Goldsmith:

Ill fares the nation to hastening ills a prey,
where the soil wastes and family farms decay.

Remember, there is as yet no synthetic food.

A good farmer has been defined as one who leaves the soil better than he found it. The record proves American agriculture is manned by good farmers who understand how to build up their land through grass pasturage and livestock. Grass is nature's contribution to soil conservation. It binds the soil and protects it against water and wind erosion while at the same time it adds to the nitrogen and humus content and improves its tilth.

The dairy cow is the instrument of agriculture that puts grass to its most effective use in the maintenance of man-

kind, conveying it into the most perfect foods for humans yet developed—milk, butter, cheese, and meat—plus useful by-products such as casein, leather, medicinal extracts, bonemeal, and so forth.

Butter for years has been the gold standard of the dairy industry. Based on its value are the prices of all other dairy products. Injure or destroy the market for butter, and you injure or destroy the dairy industry with all its wide ramifications in our national economy.

Our Government, through the Congress, has set up a program of price control for farm products; that on butterfat is more than four times that on vegetable oils. The oleo interests seek to come in and take the domestic market with a substitute colored like butter and absorb the difference in profit. We know that they are already doing this in States—like Texas—that have legalized colored oleo.

Well may the oleo interests advertise in national magazines that "far-seeing men in Washington are looking after your interests." If this scheme of the oleo interests goes over, the American public will more clearly understand what is meant by the "The smoothest spread."

If the oleo interests succeed in their demands for the unrestricted right to imitate butter, dairymen will undoubtedly take up other lines of agriculture because of the necessity to reduce their losses. But may I say to my southern friends, that already nearly 40 percent of the substance of margarine now comes from soybeans, which are more and more developing as a cash crop wherever corn can be grown, which is from the Canadian border southward. There are other oils, not domestic in origin, which are even better for oleomargarine manufacture, and which cost less.

In my opinion, the South could best serve its local interests by promoting its own dairy industry, rather than by sponsoring the imitation of butter, with all the avenues for fraud thus opened. No present Member of Congress was here when the first tax was placed on oleomargarine. These taxes antedated the present pure food laws and may not have been as good an approach to the subject as the pure food laws adopted later. Certainly the tax-free policy toward oleo now urged by leading dairy and farm organizations is a sound approach to the subject.

The responsibility of Congress to protect the American people against fraud is still paramount, and for that reason I say—no tax, no color—no color, no fraud.

(Mr. WIER asked and was given permission to revise and extend his remarks.)

(Mr. COTTON asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, the implications of a complete and unconditional repeal of the oleo tax are clear.

The intention of the oleo manufacturers is not to assist the producer of domestic vegetable oil. Rather it is to import cheap foreign vegetable oil to the disadvantage of the domestic producer of both animal and vegetable oil. The Granger bill should be sustained.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

(Mr. LEFEVRE asked and was given permission to revise and extend his remarks.)

Mr. LEFEVRE. Mr. Chairman, H. R. 2023 presently under discussion, brings again to our attention this great subject of oleomargarine. It was just a little less than a year ago that we spent hours here in the House arguing whether or not it was right and proper to tax margarine. At that time I took the stand that the tax was discriminatory. Food prices were high. Butter was really a luxury and when the average person had all he could do to meet his food bills, it seemed most unfair to force this extra tax on the consuming public.

From what I have been hearing today, I believe practically every man and woman in the House agrees that the tax should be repealed. The question that seems to draw the most fire is whether to limit the regulation authorized under the bill to yellow oleomargarine in interstate commerce. The bill as written, if I properly interpret it, will permit yellow oleomargarine to be produced or colored locally and made available to consumers in those States where laws permit yellow oleomargarine to be manufactured, colored, and sold.

Unless something comes up during this debate to alter my present views, I believe this is the fairest way to settle this very controversial problem. Many of us here and many more back home are convinced that our State and local governments should get back into the picture and assume more responsibilities affecting the welfare of the people. If we ever intend to stop this growing bureaucracy it is high time we work toward that end. I believe this bill as written suits the majority of the people in my district. The tax was the issue they considered unfair.

In my section of New York State the great majority of the farmers are dairymen. As I said last year, and I shall repeat it now, I do not believe that the removal of the tax would mean the ruination of our dairy herds. The bulk of the milk produced in the Thirtieth District of New York State goes into the so-called fluid market. We have to look at the problem fairly. I do not believe my farmers were too concerned last year and in many instances told me that I voted as they would have, favoring the repeal of the tax for the benefit of the consumer.

In New York there presently is a law prohibiting the sale of yellow margarine. If and when the people want that changed they have the privilege to so inform their State representatives. As stated before I believe this bill before us looks fair and I expect to support it.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks.)

[Mr. BIEMILLER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I think this is an important question that is before the House. After having been here for 10 years, I often wonder why we call this general debate, when a mere handful of the Members are here on the floor of the House to listen to this discussion.

I can say that I have approached many questions with an open mind, and I have been delighted to sit here during this entire debate and hear the argument that has been produced especially by some of the new Members who are serving their first term in Congress. There have been statements and arguments made on the floor of this House this afternoon that ought to be convincing to any Member of Congress who would sit here and participate in these debates, and they ought to be here and hear these arguments. The gentleman from Nebraska, a great lawyer, made a magnificent statement and gave arguments that are unassailable and unanswerable in support of the Granger bill. The gentleman from Minnesota who has just left the floor made a magnificent statement as representing the views of labor on this proposed amendment. The gentleman from New York in a very few words made a magnificent contribution, as did the gentleman from the Midwest, one of the new Members, and no better statement was ever made on the floor of this House than was made this afternoon by the distinguished gentleman from Missouri, who talked from the standpoint of a practical farmer.

In opposition to all that debate coming from the Democratic side of this House, I heard one voice raised in opposition and that was the gentleman from New York [Mr. CELLER], from the city of New York, who failed utterly to answer the arguments that were advanced by Members on this side.

I heard the argument over the platform and heard the argument in the debate between the gentleman from Utah [Mr. GRANGER] and the gentleman from New York [Mr. CELLER], both of whom claim they sat on the resolutions committee at Philadelphia when the Democratic platform was adopted. There appears to be a wide divergence of opinion on the Democratic side as to what the Democratic platform intended to do, but I think a fair résumé of that debate would lead anyone to the conclusion that it was the feeling of most Members on the Democratic side that what they intended to do was ask for the repeal of taxes on oleomargarine. That is what is done in the Granger bill.

I come from Wisconsin, it is true. That is a great dairy State, and I would be derelict in my duty as a Representative of that State if I did not take the floor to protest the potential threat which is involved in the total debasement of our food supply. I want to say a word of warning to the gentleman from Texas and the people from the Southern States who originally were prompted by sectionalism into thinking that they are protecting the cottonseed-oil industry by supporting this antibutter legislation. I want you all to know—and I want you who are thinking of soybeans to know—that we are experiencing a revolution in this country which is taking place right before your very eyes. The people of America are not aroused and are not awake as yet to the danger facing the nutrition of the people of this country by the constant debasement of our food supply. I made a speech a few days ago talking generally on this subject to a mere handful on the floor of the House. Do you think I was talking about something that is not true? I hold in my hand the excerpts of a speech delivered yesterday by the chief of the fats and oils branch of the Production Marketing Administration of the United States Department of Agriculture at Urbana, Ill., where that gentleman was talking to the processors and producers of soybeans, and he took the very language of the address that I made here on the floor of the House and called the attention of his audience to the threat which exists to the people of this country by the utilization of chemical substitutes to supplant vegetable and animal oils throughout the entire baking industry of the country.

What he said as to soybeans goes as to cottonseed oil and peanut oil and all the edible animal fats and oils. What is happening? You are going to vote to legalize interstate shipments of oleo—a product which, with the addition of synthetic vitamins and the use of animal and vegetable fats and oils, makes a completely nutritious product.

What happens next? When Lever Bros. carry out their plan to ultimately substitute chemicals for nature's foods, can you see what the future holds? After they have the unlimited right to ship yellow-colored oleomargarine throughout the country, the next move will be to substitute for the natural fats and oils which they are now using the synthetic products which I can identify and which are being sold today to the extent of millions of tons in the manufacture of soap, which has ruined the inedible fats and oils market. Do you have a rendering plant in your district? I have one in my town. It is closing up; it is going out of business. Why? Because they cannot sell to the soap manufacturers any longer the inedible fats and oils. They are being supplanted by chemicals manufactured by the great chemical companies of this country.

Gentleman, it is time to think. Let us not inject narrow partisanship into this situation. We are dealing with a highly volatile subject. We are dealing with something that reaches the very heart and soul of America, and that is the de-

basement of the food supply of the Nation. This debasement, so far as oleomargarine is concerned, is just one of the multiple steps that I could tell you of as a result of the intensive research that I have been doing in this field.

We ought to stop and ponder and not give too much attention to the little pitiful arguments that are being made as to butter and oleo. The subject is bigger than that. You will live to rue the day that you took this step. You producers of cotton-seed oil, and you producers of edible fats and oils, you producers of soya oils and peanut oil will be coming to this Congress before long asking the Congress to protect you against these chemical substitutes that are now available and on the market. The gentleman from the Fats and Oils Division yesterday told of the inroads already being made, which threaten to put the soybean industry out of business. Millions of pounds being sold today that cost 12 cents a pound, and they are getting from 55 to 65 cents a pound for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KEEFE. Can not you see the question that is involved? I am going to speak from time to time in this Congress on this subject, because I have interested great scientific minds in this country in the field of nutrition and I am in constant contact with them. I do not propose to see that the great advances we have made in the field of public health and nutrition are destroyed because a few people have larceny in their hearts and think more of mere dollars than they do of human welfare.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HUBER. The gentleman mentioned the Democratic Convention. The Democratic Convention evidently endorsed the action of the Republican Congress in passing the legislation last year.

Mr. KEEFE. Now the gentleman is just injecting a little sour note of politics that is very petty, indeed, and characteristic of him in his debates on the floor. I have tried to point out the situation that you will come to realize some day. You may not realize it today. The housewives of America will realize it when you foist onto them food of all kinds, canned and processed, that will debase their food supply, and when they wake up they will turn the lash upon those who are responsible for it.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have listened attentively to this debate today. I wonder if the gentleman from Utah [Mr. GRANGER] would at this time suffer a few questions. I would like to ask the gentleman if his bill repeals the discriminatory taxes on oleomargarine.

Mr. GRANGER. That is true. It repeals all taxes.

Mr. HOLIFIELD. All Federal oleomargarine taxes?

Mr. GRANGER. And all licenses.

Mr. HOLIFIELD. Your bill also allows interstate and intrastate shipment of uncolored oleomargarine?

Mr. GRANGER. That is right.

Mr. HOLIFIELD. It does not change the present situation at all?

Mr. GRANGER. Except it takes off tax. That is all. It makes it free.

Mr. HOLIFIELD. I mean in regard to the shipment of uncolored oleomargarine.

Mr. GRANGER. That is right.

Mr. HOLIFIELD. Is it not true that any oleomargarine manufacturer may place a factory in any State which allows the sale of colored oleomargarine at the present time, and sell the colored product within that State?

Mr. GRANGER. That is true, provided the State law permits it.

Mr. HOLIFIELD. That is right. As I understand, there are 16 States now which prohibit the sale of colored oleomargarine within that State.

Mr. GRANGER. I do not know whether it is 16 or more.

Mr. HOLIFIELD. Sixteen or seventeen.

Mr. GRANGER. Approximately that.

Mr. HOLIFIELD. They comprise many of the large States, such as California. I know California does not permit the sale of colored oleomargarine within the State.

Mr. GRANGER. That is true. The peculiar thing about it is that every person who has spoken on this bill today in opposition to it has come from a State where they could not sell it in that State if all the taxes were repealed.

Mr. HOLIFIELD. In other words, it is a problem on the State level in most of the States.

Mr. GRANGER. Including California. That is true.

Mr. HOLIFIELD. What I want to know is what is wrong with having a mixing plant in each State. Does that not offer employment and decentralize industry?

Mr. GRANGER. I think it does. I think that is a very pertinent question, because it would make those people who are getting the benefits come down to the county and State level and help pay some of the taxes that other people have to pay. Make no mistake about it, in every one of these States in the Union millions of dollars are invested in dairy plants and cheese factories and what not.

Mr. HOLIFIELD. On that particular point, is it extremely costly for an oleomargarine plant to be set up to do the coloring and mixing of white oleomargarine?

Mr. GRANGER. I do not know about the cost, but certainly it cannot be great.

Mr. HOLIFIELD. It stands to reason it would not be if the housewife can mix it in a bowl with this coloring matter. It could be colored in the butter-mixing machines they have in all the butter factories. The same kind of mixing equipment can be used in each State without a great deal of expense.

Mr. GRANGER. That is right. There is no reason why it cannot be done; the gentleman is right.

Mr. HOLIFIELD. It is absolutely true that the Granger bill fulfills the Demo-

cratic platform pledge to repeal the discriminatory Federal taxes on oleomargarine.

Mr. GRANGER. If anybody can put any other interpretation on the Democratic platform than I am putting on it, I would like to know. I should like to read the platform.

Mr. HOLIFIELD. I should like to hear the plank read.

Mr. GRANGER. The plank reads:

We favor the repeal of discriminatory taxes on the manufacture and sale of oleomargarine—

Period.

Mr. HOLIFIELD. That is what the gentleman's bill does?

Mr. GRANGER. Yes.

Mr. HOLIFIELD. The gentleman's bill actually does that?

Mr. GRANGER. Absolutely.

Mr. HOLIFIELD. I am glad to hear the gentleman answer this question.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. SUTTON. Does the gentleman from California realize that the manufacturing plant in California will have to shut down should this bill be enacted into law?

Mr. HOLIFIELD. Did the gentleman say it would have to be shut down?

Mr. SUTTON. Yes.

Mr. GRANGER. They can ship it out of the State; they cannot sell it in the State.

Mr. HOLIFIELD. You can ship colored margarine out of the State and white margarine in the State.

Mr. SUTTON. So it does not prevent the sale of it?

Mr. HOLIFIELD. They cannot ship it within the State; that is very true; but that is a matter for the State legislature. Nor will the law of the State of California permit colored margarine to be sold within the State if the Poage bill is adopted.

Mr. SUTTON. Then those plants in California will be shut down.

Mr. GRANGER. That is not true at all.

Mr. HOLIFIELD. That may be so; they can still ship outside of the State and sell outside of the State.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. COOLEY. This little demonstration which we have just witnessed and which was obviously rehearsed before it was enacted prompts me to say that it is a feeble redemption of a sacred platform pledge to repeal the tax and outlaw the object upon which the tax has been imposed. I do not believe that it was the purpose of my party nor of Mr. GRANGER's party to go before the country with any such flimsy pretext as that.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. No; I decline to yield.

The very idea of intelligent men sitting in a convention of that importance and adopting a platform pledge such as this, and to go before the public saying they are in favor of repealing this discrimina-

tory tax and not telling the same public in all these same meeting places that just let them get down to Washington on this platform and they would repeal the tax but would outlaw oleomargarine. They say: "We will pass a Republican bill if you just let us get in on a Democratic platform."

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; I yield to my friend from Wisconsin.

Mr. KEEFE. I should like to ask the gentleman what the plank on oleomargarine was of the Dixiecrat branch of the Democratic Party. We have heard the Democratic platform plank, and the gentleman has indicated that there were two divisions to the party.

Mr. COOLEY. I did not attend the Dixiecrats' convention and I have never been classed as a Dixiecrat. I believe that I am just as good a Democrat as will be found anywhere.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOPE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, at this juncture I should like to recall to the House the words of Champ Clark when he was debating the Panama Canal tolls question here on this floor some decades ago. These were his words:

Tell it not in Gath, proclaim it not in the streets of Ascalon, that the Democratic Party will not keep faith with its platform.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I was not injecting politics into this thing when I was speaking to my good friend, the gentleman from Wisconsin [Mr. KEEFE]. I was just giving him an out, pointing out that the Eightieth Congress was not quite as bad as everybody thought it was, because one of the few things it had courage enough to do was to face the margarine issue on the floor of this House. As far as I know the bill that was passed was not as acceptable as the present bill or as the substitute to be offered later.

I hear a great deal about Lever Bros. I do not know anything about them. The inference is that there seems to be something evil about that institution. I thought we all believed in private enterprise. If Lever Bros. is a large company, is that wrong? Is that wicked? The United States Steel Corp., I understand, is rather large. The United States Tire & Rubber Co. is a large institution. There is big business in this country today and I do not know why any stigma should be placed upon a company just because it is big.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does the gentleman believe in international cartels and monopolies?

Mr. HUBER. Mr. Chairman, I believe in free enterprise. All the patron saints

of the Republican Party are continually talking about free enterprise. Now, if someone can produce a healthful, nutritious food, let them produce it. Let us not put all these Government regulations on it. I am tired of Government regulations and unfair Government practices. Let us get back to the fundamentals of Americanism. Let us allow free enterprise to take its course. I venture the assertion that you ship a greater amount of beer in value out of Wisconsin than you do dairy products. If anybody tried to stop you from shipping Schlitz beer into the States of Ohio or Pennsylvania I am sure you would cry crocodile tears. But, of course, this is margarine—it is wrong; it is evil.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOPE. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, it is easy enough for people who have nice jobs, with political ambitions, to be facetious about this situation here today. Well, I want to tell you, Mr. Chairman that what we do here on this legislation has much to do with the future of at least one State out of the 48.

There is nothing new about this legislation. From a reading of the newspapers you would think that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Utah [Mr. GRANGER] were doing some conniving, were doing something unfair, they were doing something tricky, they were bringing in trick legislation. Mr. Chairman, 25 years ago there was passed a filled milk bill. The filled milk bill is exactly the same as this bill here in principle. Filled milk is composed of a vegetable oil and skimmed milk, just exactly the same as oleo is. All the Granger-Andersen bill does is to put oleo in the same class that the fluid milk is in today and has been for a quarter of a century.

You may be interested in knowing that this is just the beginning. There is another bill here in the hopper that is going to do the same thing on filled cheese. You know, I have an awful job keeping track of people down here in Congress for some reason or other. I went down here with my good friend the gentleman from Texas [Mr. POAGE] to appear before the Washington Advertising Club, and I do not know of anyone who has made more money out of the oleo argument than the advertising people have. Unthinkingly, I mentioned the fact that they had a little lawsuit down in Texas in which it was brought out that they were using filled ice cream. Well, the gentleman from Texas [Mr. POAGE] gave me quite a lecture—he is a good friend of mine—and sort of intimated that it was not any of my business what kind of ice cream they ate in Texas. He asked if I believed in State rights. When the committee agreed that we should have a States' rights provision in this legislation, I thought maybe it would be all

right to have States' rights as far as oleo is concerned.

Now, anyone who is shedding tears about protecting the public—and we have heard it twice here this afternoon on both sides of the aisle—just let us not deceive ourselves, because it is not being followed right here in the city of Washington. They made an investigation within the last 60 days, and out of 150 restaurants in one southern State they found only 15 of them that were following the law. So what is the use of having that kind of law on the statute books. The Granger bill passes this back to the States, the same as the filled-milk bill does. Take Illinois and Indiana, if they want to eat it, that is their business, and that is what the Granger bill is trying to do with this law, and that is what we are trying to do with cheese, and that is what we are going to try to do with ice cream. Since all these people have so many tears for the consumer, I would like to take these 11 minutes and talk about labor, because, after all, they are the ones that are going to pay the price on this as far as that is concerned.

And I want to call your attention to another product, another concoction, and I would be glad to make it here for you, and we cannot talk about another city in the United States, because we have nothing to say about it. I made it for you last year here. You take 96.5 percent of skim milk and 3.5 percent of vegetable oil and you practically have oleomargarine. The only difference between that and oleomargarine is the difference in the proportion of the fat and the oil. I can make it for you for 5 cents a quart.

Another point has been omitted here. Surely, the oleo people have been able to sell their products cheaper. Why? Every pound of oil in oleo in the last year has been subsidized. I am not saying that the oleo manufacture is being subsidized, but the United States Treasury is subsidizing the product. There are some of these oils that the United States Government under the program has lost 22.2 cents per pound on, and I would not like to guess what they are going to lose the next year for certain oils that they are supporting. So, it is not a matter, my good colleagues, of any little, petty thing. The whole dairy industry is involved.

When our good President this last fall ran on the Democratic platform, he might have said he was going to get rid of the tax, and I think everyone realizes he wants to follow the platform, but I just cannot believe that any President, President Truman or any other President, wants anyone to be interpreting his mind to show what he wants to do in connection with the dairy business.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. I would just like to say that while the Democratic platform called for the repeal of the tax on oleomargarine, it did not demand the destruction of a \$250,000,000 dairy industry in the United States. I do not believe that of my party, nor of my candidate for President who is President now.

Mr. MURRAY of Wisconsin. I thank the gentleman, because I cannot imagine any President wanting to do that.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I have been here for 4 or 5 hours listening to this debate. The gentleman from New York [Mr. CELLER] says that the Democratic platform says one thing; the gentleman from Utah [Mr. GRANGER] says that the Democratic platform says another thing, and the gentleman from Nebraska [Mr. O'SULLIVAN] gets down in the well of the House and says the Democratic platform says another thing. I would like to know what does the Democratic platform say.

Mr. MURRAY of Wisconsin. Well, I do not want to get into that angle any more than to say that I have more confidence in President Truman than to think that he would deliberately destroy the dairy industry of this country or to be a party to so doing.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to make just one observation, and that is that the Democratic platform was just read a moment ago by the gentleman from Utah [Mr. GRANGER].

Mr. GAVIN. Well, I was not here at that time.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Just so that we can interject a little bit of levity into this serious situation, may I say to the gentleman that this debate regarding the Democratic platform reminds me of a story that the chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], told yesterday about the colored fellow who was ambling along the road down South twirling a rope. Somebody came up to him and said, "Say, what are you doing with that rope?" He said, "Mr. Ned, I'se confused, I'se confused. I don't know whether I'se found a rope or lost a mule." I thought it was just about like some of the confusion we find here on the floor of the House in discussing some of these questions.

Mr. MURRAY of Wisconsin. As far as the dairy industry is concerned, if you follow the law—and incidentally it is not being followed now, but I do not want to get that injected in here; we think it is going to be—the man who owns the cows is going to be taken care of. There is no argument about that.

The gentleman from Illinois [Mr. SABATH] today was telling about dollar-a-pound butter. The gentleman is a year behind, because a couple of days ago Uncle Sam had to buy a carload of butter out in Minnesota at the support price of 59 cents. So as far as the man who milks the cows is concerned, he has some protection.

Let me ask you today whether or not you want to step up the number of unemployed in this country. One of my good southern friends came to me a few days

ago and said, "You know, all us fellows from the farm districts ought to get together on that wage-hour bill when it comes in. We ought to keep it just the way it is, as far as it affects the farmers." He said, "You must have lots of cheese factories and creameries and milk plants in your district." I said, "Sure, I have plenty of them." He went on to tell me a story, and I said, "Now, Brother, there is something going to happen before we get that far. Just don't make me feel badly about what is going to happen to that minimum wage or maximum hours, or anything that goes with it, because how do I know, when they get down to the oleo bill, whether or not they are going to have any jobs? So why should I worry about what wages they have when I do not know whether they are going to have a job or not?"

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Oklahoma.

Mr. MORRIS. I honestly have not made up my mind whether to vote for the Granger bill or the Poage bill.

Mr. MURRAY of Wisconsin. It is a creeping thing, but in the gentleman's State they have reduced cow numbers by 22 percent in the last few years. If you want to be in the dairy business in Oklahoma, you want to keep that in mind.

Mr. MORRIS. I appreciate that suggestion. I honestly have not made up my mind whether I am for the Poage or the Granger bill, or for either. I realize the gentleman is an authority, especially in the dairy field, and I say that seriously. Does the gentleman care to tell us at this time whether he is supporting the Poage bill or the Granger bill, or is opposed to both of them? I should like to have the gentleman's suggestion about that.

Mr. MURRAY of Wisconsin. I took it for granted that the gentleman knew I was for the Granger bill, because I have been recommending the Granger bill here several times.

Mr. MORRIS. I have heard the gentleman's speech on this occasion, but I did not know definitely which bill he is for.

Mr. MURRAY of Wisconsin. The Granger bill is a fair bill. The dairy industry has gone too far now with the Granger bill. The gentleman from Utah [Mr. GRANGER] has bent over backward.

Mr. MORRIS. The gentleman's judgment is, then, that the Granger bill is about as good a bill as could be written on this subject? Is that the gentleman's thought?

Mr. MURRAY of Wisconsin. It gives the Government back to the people. If the people of the State of Oklahoma want to eat oleo that is red, blue, yellow, or any other color, that is their business. The longer I am in Washington the more I realize that we have to give these things back to the people and back to the States.

Mr. MORRIS. I was not arguing with the gentleman. I was asking for information. I just wanted to get his judgment.

Mr. MURRAY of Wisconsin. We have done it on evaporated milk and on filled milk. We should do it now as far as

butter is concerned. We should do it all the way down the line as far as the dairy industry is concerned.

Mr. WERDEL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. WERDEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. MORRIS. Mr. Chairman, will the gentleman yield for a question?

Mr. GRANGER. I yield.

Mr. MORRIS. I am seriously seeking information on this matter, because it is an important matter. Will the gentleman express himself to the committee at this time as to whether or not he thinks the provisions of his bill forbidding the transportation of oleomargarine in interstate commerce would be difficult of enforcement? That is one question that is bothering me.

Mr. GRANGER. No; I do not see that any difficulty would arise to prevent the enforcement of the act.

Mr. Chairman, we are coming to the close of this debate on what I think is a very important question. I am interested in this matter, not from any personal advantage that I may have, but because I am tremendously interested in the perpetuity of a branch of agriculture that has been the mainstay of the farm family. You would be alarmed if you had the figures on the great movement toward commercial and corporation farming. It is alarming to know of the vast acreages of wheat, potatoes, and cotton that has gone into the hands of a few operators, where in many cases the operators are not even residents of the places where the farms are located. So I ask you to consider this matter very calmly, because I am tremendously interested in that phase of our economy. I dare say many of you people here on the floor, as is true in my case, were able to go to school because dad and mother were willing to milk the cows and take the cream to the creamery so that the proceeds of the check might be distributed to the kids going to school.

Further than that, farm family life is a breeder of good citizenship. I dare say that on our farms, generally, and the dairy farms in particular, there never would be sown the seeds of communism or any other ism having for its purpose the overthrow of the Government. I think it is important that we maintain the farm families. It seems to me that to do otherwise would be striking a death blow at the thing that we cherish as a sacred heritage of the American people.

Instead of spending the millions of dollars they have spent in order to imitate butter, if these oleo people were really and honestly trying to make a product of their own, they could have used any number of other delicate colors which would make their product just as

palatable and pleasing as the color of butter. There is nothing in the color itself which makes the product any different. It does not change the food value of the product. It is a determined effort on the part of these people to imitate butter and sell it for what it is not. I think if they had spent their money in trying to convert the people of this country to the use of oleo, they could have used another color. And I am not saying green, pink, or any other color, but I am saying that they could have used some other color to distinguish it from butter and then we would have avoided this controversy. I think there is a determined effort being made to destroy the butter industry, which will have a tremendously damaging effect upon the economy of the dairy farmer. In good times and bad, the dairy farmer has been one who could hold his head high and not be forced to depend upon relief from his neighbor, during times of depression.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. COOLEY. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas [Mr. POAGE].

The CHAIRMAN. The gentleman from Texas is recognized for 9½ minutes.

Mr. POAGE. Mr. Chairman, it is little wonder that the gentleman from Wisconsin confessed his confusion at the present state of affairs. The legislation now before us is well calculated to confuse anyone and it seems to have confused its proponents as well as all the others.

These proponents have suggested that this legislation would in no wise reduce the enforcement of the present law. But I hold in my hand a letter, not written before this bill was brought out, but 9 days after it had been brought out, after it had been referred to the Federal Security Administration, Pure Food Division, over the signature of P. T. Dunbar, Commissioner of Foods and Drugs, in which he points out that section 2 (c) of this bill—and 2 (c) is a section which was not supposed to be amended—uses the words "affects, obstructs, or burdens commerce or the free flow of goods in commerce." He points out that under the interpretations of our courts that clearly would require prohibition of the sale or shipment of any goods anywhere that did affect or interfere in any way with interstate commerce. I fear and Mr. Dunbar fears that this bill may in fact prohibit the sale of colored margarine even in intrastate commerce. Now, if it does not, if you apply the interpretation applied by the last speaker, that it does not interfere with interstate commerce, then you have no hook upon which to hang the enforcement sanctions of the Pure Food and Drug Act, which apply only to interstate commerce. If this bill does not affect intrastate commerce, if it affects only interstate commerce, the sale of margarine produced in the State of Texas, within the State of Texas is not involved in interstate commerce and then the Pure Food and Drug Act has no control over the purity of that commodity. The sale of any colored margarine that could be sold under the terms of this bill could not be supervised as to purity, as to quality, or as to any of its ingredients. There

would be no Federal pure-food law to protect the consumer of yellow margarine under the Granger bill.

I call the attention of all those who profess to favor pure foods to the fact that this butter bill clearly, and, according to the opinion of the Commissioner of Foods and Drugs, provides that he would have no control over intrastate movement. If you sell margarine produced in a State, under the terms of this butter bill as its author just told you he interpreted it, then you could sell it with any kind of impurities, and there is no law on the Federal statute books and there is not a word in his bill that would provide for any pure food regulation.

Now, I believe the consumers are entitled to some protection. Most of this afternoon has been spent in discussing the effect this would have on the dairy people. The dairy people are entitled to consideration, but not to the exclusion of all the other people of America. There are three classes of people affected. The first class might be the producers of cottonseed and soybean oil. I do not want to plead their case. I am willing to waive any interest they may have in the measure. I have not stood here and argued on this bill in their behalf.

The next class interested in this bill are the dairy people, of course. You have heard a great deal of discussion about the effect this will have on the dairy people. You have heard the assumption that my substitute H. R. 3 will greatly injure the dairy industry. Yet you have not heard one single speaker this afternoon, nor will you hear one single speaker explain to you how my bill will hurt the dairy industry or how any bill giving the American consumer freedom of choice and assurance of selection will hurt the dairy industry. They say in one breath, "If you sell yellow oleo-margarine it will take the market for butter." In the next breath the original author of this bill, the man who introduced this bill and who then stepped aside to take the curse of Republicanism off the bill, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has explained how you were going to put the dairy people out of business.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry. I have only a couple of minutes left.

Mr. AUGUST H. ANDRESEN. I will explain how it will work.

Mr. POAGE. I cannot yield to the gentleman, Mr. Chairman. The gentleman has had his time and has discussed his point of view that my bill would destroy the dairy industry.

Mr. AUGUST H. ANDRESEN. Then I will answer the gentleman tomorrow.

Mr. POAGE. Then in the next breath the gentleman told us that it would result in a higher price for margarine. I do not know which side he wishes to stand on. Either H. R. 3 is going to result in the sale of a cheap table spread that the poor people of America, who cannot afford to pay the high price of butter, can and will buy, or it is not going to affect the sale of butter at all. Does the gentleman believe that, if this results in the sale of yellow margarine at the same price as butter, that the American

people will select margarine in preference to butter? I have never made any such contention. I believe the masses of the American people will take butter at the same price, but most of the American people do not have the 73 cents a pound that it takes to buy butter. That is the reason most of the people would buy margarine if they had the opportunity. It will not take butter off the market. It will mean that those families that now cannot buy a table spread will be able to buy one. That has been the experience of every nation in the world.

The greatest dairying nations in the world are the low countries of Europe, Holland, Belgium, and those countries; yet those countries all sell more butter per capita than does the United States and all of them sell from three to four times as much per capita of margarine, yellow margarine, if you please, as does the United States.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry, I cannot yield.

Every one of those countries in Europe that allows the free sale of yellow margarine sells more butter per capita than does the United States. Does that look like it would hurt the dairy people of the United States if we, too, allowed the free sale of margarine in any form the consumer wants it?

What about the States of the Union that have tried to impose restrictions on margarine, as so many States of the Union have? The State of Iowa has a prohibition against the sale of yellow margarine, and yet last year, 1947, the last year for which I have the figures, butterfat brought 82 cents a pound in Iowa. Missouri, an adjoining State, has no restriction on the sale of yellow margarine, and butterfat brought 90 cents a pound in Missouri. Go just west of them: The State of South Dakota entirely prohibits the sale of yellow margarine, and they got 73 cents a pound for butterfat. The State of Nebraska, adjoining South Dakota, prohibits it only in public-eating places, and they got 79 cents a pound for butterfat. The State of Kansas, adjoining Nebraska, has no prohibition against the sale of yellow margarine, and they got 83 cents a pound for their butterfat. Even the farmers of the great State of Wisconsin, on one side of the great market of Chicago, got 2 cents a pound less for their butterfat than did farmers in the State of Indiana, on the other side of that great market.

Going to the East, no man can say that there is a better market than the great city of New York. The State of New York prohibits the sale of yellow margarine. The farmers of the State of New York got \$1.24 a pound for their butterfat in 1947. In the little State of Rhode Island where they do not have the great city of New York, in the same year without any prohibition against the sale of yellow margarine they got \$1.60 a pound for their butterfat. Does that look as though this prohibition against free enterprise, against the right of the consumer to select the foods that he or she wants to buy, does that look like it would wipe out the dairyman? It has not done it; there is no evidence that the dairy-

man has ever been helped by these restrictive laws.

But the dairyman is not the one to be primarily concerned with; certainly the consumers of America, the 140,000,000 people who should be buying fluid milk and consuming the product of the dairy farm in its most valuable and most acceptable form are to be considered also.

In the final analysis there are but two fundamentals involved. I submit, any American citizen has a right to buy any pure food in any form or color that the purchaser wants and is willing to pay for. Second, the purchaser has a right to know that he gets the identical product he thinks he is buying. The Granger-Andresen butter bill violates both of these fundamentals. It prohibits the sale of yellow margarine in interstate commerce and denies the consumer the choice of products to which he is entitled. We might as well prohibit the sale of Ford cars in a State which does not have a Ford factory. It gives absolutely no protection to the consumer from the deception which the butter people have so long claimed to fear. On the contrary, it withdraws the protection of the Federal Pure Food and Drug laws.

H. R. 3 gives every citizen the right to buy margarine in any form he wants it, but it requires that every separate serving of yellow margarine be definitely identified as such. I think this is fair. I shall offer it as a substitute for the butter bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BENNETT of Florida. Mr. Chairman, I am glad that the gentleman from Texas [Mr. POAGE] has so well established by his speech that there are now legal and adequate methods to protect the public in the nutritive standards of oleomargarine, at least when shipped in interstate commerce.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read, as follows:

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. Yellow oleomargarine resembles butter so closely that it lends itself readily to substitution for or confusion with butter and in many cases cannot be distinguished from butter by the ordinary consumer. The manufacture, sale, or serving of yellow oleomargarine creates a condition conducive to substitution, confusion, fraud, and deception, and one which if permitted to exist tends to interfere with the orderly and fair marketing of essential foods in commerce. Such transactions in yellow oleomargarine, whether intrastate or interstate in character, burden, obstruct, and affect commerce, interfere with the production of goods for commerce and the free flow of goods in commerce, and constitute an unfair method of competition in commerce.

It is hereby declared to be the policy of Congress to correct and eliminate the conditions above referred to; to promote the orderly and fair marketing of essential foods in commerce; to prevent confusion, fraud, and deception in commerce; and to prohibit practices which burden, obstruct, or affect commerce, the free flow of goods in commerce, or the production of goods for commerce.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2023) to regulate oleomargarine, and to repeal certain taxes relating to oleomargarine, and for other purposes, had come to no resolution thereon.

TRANSFER OF FUNCTIONS OF REGIONAL AGRICULTURAL CREDIT CORPORATION TO THE SECRETARY OF AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 2101, to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 29, 1949.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MULTER (at the request of Mr. HOLIFIELD) was given permission to extend his remarks in the RECORD.

Mr. MACK of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from the secretary of State of Illinois and a resolution concerning the Lincoln ordinance depot.

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD following those of the gentleman from Texas [Mr. POAGE].

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in five instances and include excerpts.

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he made in Committee and include tables and statistics.

Mr. KEATING (at the request of Mr. EDWIN ARTHUR HALL) was given permission to extend his remarks in the RECORD.

Mr. VORYS (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD and include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. BOSONE (at the request of Mr. GRANGER), for March 30 and March 31, on account of official business.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; and

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3910. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act; and

H. J. Res. 203. Joint resolution to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

ADJOURNMENT

Mr. COOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.) the House adjourned until tomorrow, Friday, April 1, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

479. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1949 in the amount of \$92,619,888 for the various departments and agencies (H. Doc. No. 149), to the Committee on Appropriations and ordered to be printed.

480. A letter from the Archivist of the United States, transmitting the Fourteenth Annual Report of the Archivist of the United States, covering the fiscal year ending June 30, 1948; to the Committee on Post Office and Civil Service.

481. A letter from the Archivist of the United States, transmitting the Ninth Annual Report of the Archivist of the United States on the Franklin D. Roosevelt Library, Hyde Park, N. Y., for the fiscal year ending June 30, 1948; to the Committee on House Administration.

482. A letter from the Chairman, Munitions Board, National Military Establish-

ment, transmitting the Annual Report on the National Industrial Reserve; to the Committee on Armed Services.

483. A letter from the Acting Chairman, United States Advisory Commission on Information, transmitting the Semiannual Report of the United States Advisory Commission on Information covering the international information activities; to the Committee on Foreign Affairs.

484. A letter from the Acting Secretary of the Interior, transmitting a supplemental finding of feasibility for the Platoro Reservoir as the first unit of the Conejos division of the San Luis Valley reclamation project, Colorado (H. Doc. No. 150); to the Committee on Public Lands and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 2369. A bill to authorize an appropriation to complete the International Peace Garden, N. Dak.; without amendment (Rept. No. 359). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 3088. A bill to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; without amendment (Rept. No. 360). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 3856. A bill to provide for a Commission on Renovation of the Executive Mansion; with amendments (Rept. No. 361). Referred to the Committee of the Whole House on the State of the Union.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3875. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, with respect to suspension of deportation of aliens; without amendment (Rept. No. 362). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSSETT: Committee on the Judiciary. S. 32. An act for the relief of Milo Jurisevic, Mrs. Jelena Jurisevic, Svetozar Jurisevic, and Radmila Jurisevic; with an amendment (Rept. No. 356). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 750. A bill for the relief of Lee F. Bertuccioli; without amendment (Rept. No. 357). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2360. A bill for the relief of Theodore Papachristopoulos; with amendments (Rept. No. 358). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 3925. A bill to authorize a preliminary survey to determine the feasibility of constructing a channel through Topsail Inlet, N. C., to the inland waterway; to the Committee on Public Works.

By Mr. CASE of South Dakota:

H. R. 3926. A bill to rename a game sanctuary in the Harney National Forest as the "Norbeck Wildlife Preserve," and for other purposes; to the Committee on Agriculture.

By Mr. CAVALCANTE:

H. R. 3927. A bill to make it a crime for any person, as part of a plan to overthrow the Government of the United States by force or violence, to incite contempt for such Government by the use of publications, motion-picture films, or radio broadcasts; to the Committee on the Judiciary.

By Mr. ELSTON:

H. R. 3928. A bill to incorporate the Guild of Carillonneurs in North America; to the Committee on the Judiciary.

By Mr. HAND:

H. R. 3929. A bill to provide for the mobilization of the scientific resources and knowledge of the United States for the purpose of seeking the causes and cure of cancer, heart disease, infantile paralysis, and other diseases of mankind; to the Committee on Interstate and Foreign Commerce.

By Mr. HART:

H. R. 3930. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HILL:

H. R. 3931. A bill to authorize certain additional allocations of costs of the Colorado-Big Thompson Federal reclamation project; to the Committee on Public Lands.

By Mr. KILBURN:

H. R. 3932. A bill to exempt artificial limbs from duty if imported for personal use and not for sale; to the Committee on Ways and Means.

By Mr. KUNKEL:

H. R. 3933. A bill to permit Federal employees who retired before April 1, 1948, to elect to have their annuities computed on the same basis as Federal employees who retired on or after such date, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MONRONEY:

H. R. 3934. A bill to permit religious or charitable societies to import musical instruments free of duty in certain cases; to the Committee on Ways and Means.

By Mr. TEAGUE:

H. R. 3935. A bill relating to the promotion of Veterans of World War II in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. WINSTEAD:

H. R. 3936. A bill to strengthen the national defense by making it possible for persons drafted under the Selective Service Act of 1948 (Public Law 759, 80th Cong., 2d sess.) as well as all other personnel to choose the type of units in which they serve; to the Committee on Armed Services.

By Mr. WITHROW:

H. R. 3937. A bill to provide for a survey of physically handicapped citizens; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. R. 3938. A bill to prohibit interstate commerce in imitation cheese, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 3939. A bill to prohibit interstate commerce in imitation ice cream and in imitation ice milk, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HINSHAW:

H. R. 3940. A bill to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; to the Committee on Interstate and Foreign Commerce.

By Mr. POAGE:

H. R. 3941. A bill to authorize and direct the Administrator of Veterans' Affairs to convey certain buildings surplus to the needs of the Veterans' Administration to the State of

Texas for the purpose of establishing and maintaining a State medical college and State hospital; to the Committee on Veterans' Affairs.

By Mr. PRIEST:

H. R. 3942. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

H. R. 3943. A bill to amend the Public Health Service Act to support research and training in rheumatism and arthritis, multiple sclerosis, cerebral palsy and epilepsy, and other diseases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SEGREST:

H. R. 3944. A bill to establish a National Commission on Intergovernmental Relations; to the Committee on Expenditures in the Executive Departments.

By Mr. SIMPSON of Pennsylvania:

H. R. 3945. A bill to exempt from admissions tax admissions to museums operated or conducted by the Federal Government, the several State governments, or political subdivisions thereof; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 3946. A bill to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study; to the Committee on Armed Services.

By Mr. MURDOCK:

H. R. 3947. A bill to approve a repayment contract negotiated with the Shasta View irrigation district, Malin, Oreg., and for other purposes; to the Committee on Public Lands.

H. R. 3948. A bill to approve a repayment contract negotiated with the Okanogan Irrigation district, Washington, and to authorize its execution and for other purposes; to the Committee on Public Lands.

H. R. 3949. A bill to approve a repayment contract negotiated with the Kittitas reclamation district and to authorize its execution, to approve the reclassification of lands within the Kittitas division of the Yakima project, Washington, and for other purposes; to the Committee on Public Lands.

H. R. 3950. A bill to approve a contract negotiated with the Uncompahgre Valley Water Users' Association and to authorize its execution, to approve reclassification of land of the Uncompahgre project, Colorado, and for other purposes; to the Committee on Public Lands.

H. R. 3951. A bill to approve a repayment contract negotiated with the Bitter Root irrigation district, Montana, and to authorize its execution, and for other purposes; to the Committee on Public Lands.

H. R. 3952. A bill to approve a contract negotiated with the Willwood irrigation district and to authorize its execution, and for other purposes; to the Committee on Public Lands.

By Mr. MILLER of California:

H. R. 3953. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. KLEIN:

H. R. 3954. A bill to amend the Alcoholic Beverage Control Act of the District of Columbia of 1934; to the Committee on the District of Columbia.

By Mr. LYNCH:

H. R. 3955. A bill to provide for the payment of Federal unemployment taxes into the Federal unemployment account to be available for the administration of unem-

for these particular communities. I know that you join with me in extending sympathy to those who have suffered and in expressing thankfulness to Almighty God that they were spared greater injury and damage.

EXTENSION OF REMARKS

Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD.

RENT CONTROL

Mr. YATES. Mr. Speaker, the new provision of the Rent Control Act which requires the Housing Expediter to set rentals at levels which will yield to landlords a fair net operating income, has provoked a storm of controversy and justifiably so. The ambiguity of the provision itself and the remarks of the conferees as they appear in the CONGRESSIONAL RECORD have made one point crystal clear—that the Housing Expediter, who has the job of administering the provision and of drafting and enforcing regulations to give it meaning, is one of the most powerful figures in the economic life of this Nation today.

To my mind Tighe Woods has a monumental task. The fluidity of the provision leaves to his judgment the question whether the new rent-control law will continue to maintain rent controls at present levels or nearly present levels, or whether the program will be sabotaged by increasing rentals excessively on the ground that such increases are warranted by the new provision. We cannot at this time permit ourselves to be lulled into any sense of false security because the act has been passed. The National Association of Real Estate Boards is still active and will attempt to make its influence felt by the Expediter. We must insist that the Expediter issue decent regulations which will permit the orderly continuation of the present program.

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short questionnaire.

Mr. LODGE asked and was given permission to extend his remarks in the Appendix of the RECORD, and include extraneous matter.

Mr. BLACKNEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Bristol Courier of Tuesday, March 29, 1949, entitled "Why Are Taxes Going Up?"

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject, Who Is Behind the Move of the Veterans Medical Center from New York City to Boston? and to include an exchange of letters.

Mr. JONAS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Tribune.

Mr. HALE asked and was given permission to extend his remarks in the RECORD

and include a letter appearing in the Washington Post and a news article appearing in the New York World Telegram.

Mr. MCGREGOR asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole this afternoon.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include certain letters and newspaper articles.

Mr. MCCULLOCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Christian Science Monitor and the New York Times.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Mr. Edward J. Meehan.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include certain excerpts from the CONGRESSIONAL RECORD, also some tables and other excerpts from hearings before the Committee on Appropriations on the Tennessee-Tombigbee inland waterway.

Mr. CANNON (at the request of Mr. MCCORMACK) was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from letters received by the Committee on Appropriations in reference to Federal expenditures.

REGULATION OF OLEOMARGARINE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make a point of order a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 61]

Arends	Hoffman, Mich.	Pfeifer,
Biemiller	Jackson, Calif.	Joseph L.
Bolton, Ohio	Jennings	Plumley
Bosone	Kean	Powell
Boykin	Kee	Quinn
Brown, Ohio	Kelley	Regan
Buckley, N. Y.	Keogh	Rogers, Mass.
Bulwinkle	Kirwan	Smith, Ohio
Burdick	Klein	Smith, Va.
Cavalcante	Lane	Somers
Chudoff	McCarthy	Stanley
Clemente	Macy	Stefan
Clevenger	Martin, Mass.	Thomas, N. J.
Coudert	Morrow	Vinson
Davenport	Morgan	Wadsworth
Dingell	Morrison	Welch, Mo.
Fulton	Moulder	Whitaker
Gilmer	Murphy	White, Idaho
Gossett	Norrell	Wolcott
Hays, Ohio	O'Brien, Mich.	Wood
Hébert	Patten	Woodruff

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REGULATION OF OLEOMARGARINE

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the first section of the bill had been read.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is repealed.

"SEC. 2. Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed: *Provided*, That such repeal shall not be construed to entitle any manufacturer, wholesaler, or retailer to a refund of any occupational tax heretofore paid.

"SEC. 3. (a) The Congress hereby finds and declares that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such or which is otherwise adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act depresses the market in interstate commerce for butter and for oleomargarine or margarine clearly identified and neither adulterated nor misbranded, and constitutes a burden on interstate commerce in such articles. Such burden exists, irrespective of whether such oleomargarine or margarine originates from an interstate source or from the State in which it is sold.

"(b) Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331), is amended by adding a new paragraph as follows:

"(m) The serving of colored oleomargarine or colored margarine in violation of section 407 (b)."

"(c) Chapter IV of such Act, as amended (21 U. S. C. 341 and the following), is amended by adding a new section as follows:

"COLORED OLEOMARGARINE

"SEC. 407. (a) Colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced shall be subject in the same manner and to the same extent to the provisions of this act as if it had been introduced in interstate commerce.

"(b) No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items; and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine.

"(c) Colored oleomargarine or colored margarine when served with meals at a public eating place shall at the time of such service be exempt from the labeling requirements of section 403 (except (a) and 403 (f)) if it complies with the requirements of subsection (b) of this section.

"(d) For the purpose of this section colored oleomargarine or colored margarine is oleomargarine or margarine having a tint or shade containing more than 1.6° of yellow, or of yellow and red collectively, but with an excess of yellow over red, measured in terms of Lovibond tintometer scale or its equivalent."

"SEC. 4. So much of the unexpended balances of appropriations, allocations, or other funds (including funds available for the fiscal year ending June 30, 1950) for the use of the Bureau of Internal Revenue of the Treasury Department in the exercise of functions under the Oleomargarine Tax Act (26 U. S. C. 2300 subch. A), as the Director of the Bureau of the Budget may determine, shall be transferred to the Federal Security Agency (Food and Drug Administration) for use in the enforcement of this act.

"SEC. 5. This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

"SEC. 6. This act shall become effective 30 days after its enactment, except that section 2 of this act shall become effective 30 days after its enactment or July 1, 1949, whichever date is earlier."

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman and members of the Committee, I believe that we now come to the real issue involved in the problem that has taken so much of our time over so many years. The question now becomes very clear. Are we going to adopt this substitute, which is a word-for-word copy of H. R. 3 as it was originally introduced and considered by the committee, with the exception of section 5, which has been added? Let me read section 5:

This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

Otherwise the substitute you have before you is identical with H. R. 3. H. R. 3 is based upon two principles which I believe to be sound and fundamental. The first principle is that any citizen of the United States has the right to spend his or her money as he or she pleases for any wholesome product not in itself injurious, in any form that he or she wants to buy. I think most of us must agree that that is a pretty sound principle. Without the recognition of that principle we deny freedom of trade, the development of commerce, and the growth of industry. On that principle we stand.

There is another principle that goes along with that, and that is that every citizen, every consumer, has a right to know that when he or she spends his or her money, that he or she will get the product that the consumer thinks he is buying. I think that is a sound principle. It is one that has long been recognized in American law, and on that we stand.

On those two principles H. R. 3 is predicated, and that is all there is to the bill. That is all there is in H. R. 3; all there

is in this substitute. It provides, first, the removal of the present discriminatory laws, taxes, and regulations against the sale of colored margarine in the United States. Not one of the opponents of margarine have come forward and brought in evidence that it is of itself a harmful product, or one which should be banned as a poison. No; they admit that it is a healthful food, but they do not want the competition.

We submit that American industry must face competition. We are not going to agree that we should bring into America European types of combinations in restraint of trade, trusts, and cartels. We submit that we must maintain the right of the individual to make his or her own choice in America and that that is fundamental. Without it you could not ever have developed the great industries that we have in America. We must have the right of competition and the right of the consumer to make a choice. This bill, H. R. 3, the substitute, gives it.

The original bill, H. R. 2023, first introduced by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], as H. R. 1703, both deny this right of the individual to make a choice. They both say to the individual, "No; the Government knows better than you do what you should buy. It makes no difference what color you want your table spread, somebody up at Washington decides that question, not you." It is your money you are going to spend, but you cannot buy the color dress you want, you cannot buy the type of automobile you want, you cannot buy the style of shoes you want. You have to buy something that some bureaucrat decides is better for you and better for the country than the product you want to buy."

I call upon my friends who plead for free enterprise to get up here and explain free enterprise again. You get up here and talk about free enterprise, and then tell me that you are going to vote to deny the American housewife the right to make her own choice? Never go home and make a free enterprise speech if you vote against this substitute. Do not vote for this Granger-Andersen bill and then go tell your people that you believe in the right of the American businessman to compete freely for the American markets. I cannot see how anyone can sincerely say that he believes in freedom of enterprise, freedom of choice, and the right of selection, if he denies to a wholesome food product the right to be sold or shipped in interstate commerce, and that is exactly what H. R. 2303 does. It denies the shipment of a wholesome food product, it denies the right of the public to buy the kind of product they want.

What about the other principle, the principle of certainty that you are buying what you think you are buying? H. R. 3 goes to great extremes to provide for protection to the public against the deception which the butter people have long claimed was rampant in this country. On each and every occasion that this bill has been before the House the butter interests have cried great volumes of crocodile tears about how the public was going to be deceived in public eating places, how the public was going to have colored margarine palmed off on them instead of butter; yet these same butter

people bring into this House a bill that has not one line in it requiring any identification. Not one line in the Granger bill requires identification of yellow margarine wherever sold. In the Granger bill you have repealed all the safeguards that the present Pure Food and Drug Act gives to those who buy margarine moving in interstate commerce.

Mr. RIVERS. The gentleman should mention the fact that it would build up the biggest bootlegging industry in the history of this country.

Mr. POAGE. I think it unquestionably would, because it takes yellow margarine out from under the control of the Pure Food and Drug Act. It makes yellow margarine an intrastate product, and the Pure Food and Drug Act does not touch an intrastate product unless the law specifically brings it in. But in this substitute bill I specifically extend to yellow margarine in any form, any place, anywhere, the protection of the Federal Pure Food and Drug Act. I provide in this substitute that the consumer who goes into a restaurant and seeks to buy butter will know that he is getting butter, or if he is served margarine he will without doubt know he is getting margarine. This substitute both requires the definite identification of every individual serving of margarine and at the same time I retain the penalties now in the Pure Food and Drug Act against adulteration, against the sale of impure products. Over all the years that we have had the protection of the Food and Drug Act we have had but eight seizures of margarine for filth as against more than 600 of butter.

I submit, my friends, that we should not take away from the consuming public the protection of the present laws. We should not take from the consuming public the protection of identification which the butter people told me last year we needed. Oh, sirs, you sold me on the idea of giving this protection, and now you run out and leave us. Are you now going to deny what you said last year? Are you now going to come and say it is all right to sell yellow margarine as butter? Oh, the gentleman from Minnesota talks long and loud about selling colored margarine in imitation of butter, and yet the bill which he proposes does not have one word in his bill to prevent the sale of yellow margarine as butter, whereas the substitute contains adequate protection.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that I may speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, you have listened to a very skillful presentation by a gentleman who could well be district attorney in his congressional district in Texas. He has been very clever in covering over the real objective of his remarks and the purpose back of his bill. I have associated with the gentleman for a good many years

and I am very fond of him. I know how powerful he is in his ability of securing more money for his wheat and his cotton and the products grown in his area. Sometimes I help him to get those things. That is just what the situation is here today—and not all this window dressing that you hear about giving the people the right to buy yellow colored oleomargarine when they go to a restaurant to eat. What he wants is to sell more cottonseed oil and get a higher price for it by capturing the market for spread away from butter in this country. That is the unvarnished truth.

My good colleague from Mississippi [Mr. ABERNETHY] came before our committee and made a plain, concise statement that such was the fact—that they were interested in their producers in cotton down there—most of them being small farmers. Of course this legislation related to the welfare of their cotton producers.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. ABERNETHY. And that is what the gentleman's objective is; is it not?

Mr. AUGUST H. ANDRESEN. You are absolutely right. I am just as selfish for 2,500,000 dairy farmers, as the gentleman from Mississippi is; he is honest about it and I compliment him on it.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I am sorry, I only have 10 minutes. I would like to yield, but I cannot. I compliment the gentleman for being honest and admitting that he was trying to sell more oleomargarine in this country, so that his farmers could sell more cottonseed, and that cottonseed oil would be sold at a higher price.

Now, that is the issue, so let us get away from all this window dressing about bringing before the committee prominent women from the leading women's clubs of the country to testify that they want to get cheap food for the poor people of the country. You can go downtown and buy oleomargarine today at 22 cents a pound. The sponsors of oleomargarine say it is made from cottonseed oil. You can buy it at 22 cents a pound in Washington today. We want to keep cheap food for them and we also want to protect State rights. There is no one on the Committee on Agriculture or in this House who is a stronger advocate of State rights than my good friend the gentleman from Texas [Mr. POAGE] who says the great State of Texas does not want any interference from the Federal Government. He says they will protect themselves. So they do not want any interference from Washington, but in this legislation, of course, he wants to take in the whole country.

Now, let us see what this economic fight is. Of course, they want to sell more oleomargarine and they want it colored yellow so that it will look like butter, and they want to capture the entire butter market. There are 2,500,000 dairy farmers. They all produce milk and 27 percent of that milk that leaves the farm goes into butter. If the

dairy farmers of the United States do not have the butter market they will have to liquidate their dairy herds. It will destroy soil conservation in this country, historic soil conservation that is practiced on all dairy farms of the Nation without any subsidy from the Federal Government. It will also destroy a very important source of meat supply for the American people, because if our dairy farmers are forced to liquidate 25 percent of the milk cows of this country, consumers will have to pay more for their meat. Forty percent of the meat you eat comes from dairy farms. If you slaughter the milk cows you will decrease the milk supply and you will pay more for milk in the end—these people who want to save a few pennies, because they can get yellow-colored oleomargarine.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SHORT. What will the producers in the South do with their cottonseed meal and cottonseed cake when the dairy industry of this country is destroyed?

Mr. AUGUST H. ANDRESEN. The dairy farmer is the best customer they have, not only for cottonseed meal but also for cotton cloth and for the other things produced in the South, including tobacco, which is produced in the State of North Carolina.

Let us see what happens. Back in 1938 you will notice the per capita consumption of butter in this country was 16.4 pounds. Oleomargarine was 2.9 pounds. In 1943 butter came down to 11.7 pounds and oleomargarine went up to 3.9 pounds. Look at what happened last year, 1948. Butter came down to 10.2 pounds and oleo went up to 6.1 pounds. The spread consumption is uniform throughout the country, irrespective of the type, but it demonstrates that oleomargarine consumption has gone up, and when it has gone up butter consumption has gone down. That is what we are fighting about. The oleomargarine interests want to take the entire butter market. If that is not an economic question, I do not know. Of course, it will mean more money for the 24 oleomargarine manufacturers of the country and not for the poor people. So the fight is who is going to have the historic spread market in this country, whether it is going to be the dairy farmers of the United States or whether we are going to let 24 oleomargarine manufacturers capture it, with the hope that some of our cotton friends may sell a little more cottonseed oil and get more money for it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Oils of all kinds have dropped in price in the last few months, have they not, both vegetable and animal fats?

Mr. AUGUST H. ANDRESEN. Yes. They have dropped.

Mr. CRAWFORD. But the price of oleomargarine did not follow that drop?

Mr. AUGUST H. ANDRESEN. Not as much as the price of fats went down.

Mr. CRAWFORD. And that supports what the gentleman said?

Mr. AUGUST H. ANDRESEN. That is right. Furthermore the close combination there is in the cottonseed-oil industry, holds the power over the price.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. No; I am sorry, I cannot yield.

Most farmers sell their cottonseed when they take their cotton to the gin. Most of the seed is sold at that time. I find that in cotton as in most other farm commodities the farmer sells at the low price and somebody else gets the boost in price, particularly the buyers who are able to hold it. A year ago our committee made an investigation of the corner in cottonseed oil and we found that two big companies, one of them a million-dollar oleo company, had bought up all the cash cottonseed oil in the country and had bought all the future contracts for the month of May. They raised the price from 28 cents a pound to 43 cents a pound. They made the money out of it, not the cotton farmers of the South.

Now, let me get back to statements made yesterday by the gentleman to the effect that people could not afford to buy butter at prevailing prices. You can get excellent creamery butter in Washington today for 65 to 70 cents a pound; as a matter of fact, the Government bought 25,000 pounds of butter here the other day at 59 cents a pound. But let me direct myself to the gentleman's substitute which he has offered. I have tried to point out the economic factors involved in this fight. The gentleman's amendment will permit the unrestricted sale of colored oleomargarine in the United States. That is important, but the fight goes beyond that; the fight goes down to the effort of the oleomargarine industry and the cotton bloc to capture the entire butter market. That is going to hurt the economy of the country; it is going to jeopardize the welfare of 2,500,000 dairy farmers, and it will seriously injure the health of the people of the United States.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. The gentleman from Utah is recognized for 10 minutes.

Mr. GRANGER. Mr. Chairman, the gentleman from Texas [Mr. POAGE] is a very able member of our committee, and one who represents his district, I think, perhaps as well as any district in the United States is represented; but the gentleman always has the idea that he can win his argument by yelling loudly and overpowering everybody with words. If that be true, we are all thoroughly and completely subdued this morning.

At the outset let me say to my Republican friends that it was not my intention at all to be an interloper and take away from the gentleman from Minnesota any of the honor and glory that should be his rather than mine in the presentation of this legislation, because

he has been at it a long time. It is true, however, that if we were to gain any political advantage or any advantage whatsoever in the passage of this legislation as it is, he was willing to sacrifice any pride of authorship that he might have; and I want the House to understand and the country to understand that this has been his fight longer than it has been mine. He, however, is no more sincere in his efforts than am I. Now, if the Poage amendment is adopted, it would still have my name on it. I think we should all be charitable with illegitimate children, but I certainly do not want that thing hanging around my neck if this bill is passed with the Poage amendment.

What does the amendment do? You talk about bureaucracy. Good lawyers tell me—and I am not a lawyer—that H. R. 3, offered by the gentleman from Texas, would supersede every State law in the United States if in conflict with the Federal law. I am not a lawyer, as I stated, but they tell me that is the fact.

Now, you talk about prohibition and trying to enforce prohibition. It would mean that you would have to have a guard in every house, in every railroad station, in every hotel, in every eating place in the United States. If you want to appropriate some money to enforce this bill, you will have a job to do.

Certain people have had some experience with this matter and I want to read from some people who have had this experience in the nearby State of Pennsylvania. We had a man before our committee by the name of Donald M. Cresswell, who is assistant to the secretary of agriculture of that great State. They have a law up there that prohibits the sale of colored oleomargarine, but 2 years ago they eased up on the licenses on uncolored oleomargarine. They made a flat tax of \$2 per wholesaler and retailer and distributor of uncolored margarine. Then they tried to enforce it.

He stated that after they reduced the license fee, they issued 20,000 licenses in the State of Pennsylvania and used every means that they knew in trying to inform the people as to what the law was. A year later, he stated, they made a spot check of those 20,000 licenses, investigating 500 of them and out of those 500, 153 of them were violating the law in three different respects.

Can you imagine what would happen if that law were on the Federal statute books, applying, for example, to the State of Indiana where they have no oleomargarine law whatsoever? We would be going into the great State of Indiana and saying, "This is going to be the law, we are going to have Federal agents in every nook and corner of the State trying to enforce the Federal oleomargarine law."

It seems to me that this points out the very ridiculousness of the gentleman's amendment.

I want to show you what we are talking about. This is uncolored oleomargarine. It looks like Crisco or lard but it is oleomargarine. It is very palatable. I do not think anybody would deny that. That sold in the State for say 21 cents, including the tax. That is the product that the poor people use. It is true, it is not sold generally over the State, but

in the good State of California this is produced at 224 South Broadway, Los Angeles, Calif. That can be sold in the State of California today, but it cannot be sold if it is yellow.

I want to go along with the gentleman from Missouri who has milked cows. I have milked cows and I have churned butter, but I have never had the opportunity of molding butter. However, I am going to do it here. I suppose you should have clean hands to do it and, furthermore, be possessed of a pure heart. There is a little bean in the middle of that thing, and ordinarily, anybody with experience can mix this up in 45 seconds and make himself 10 cents. All you have to do is to press this thing and move it around this way. It is not a very difficult thing to do for pioneering women in this country. I am not an expert on this thing.

There it is, and that is nice butter. Now, I have made 10 cents with that demonstration. That would be \$6 for 1 hour's work, and that runs into quite a lot of money. They sell it in California. That is the spread; that is for the poor people who want to have that kind of a spread. Now, if you adopt any of these bills, and perhaps maybe my own, that little cheap spread will disappear from the market; it will be no more. Colored oleomargarine will take its place, and it will move up to the point where it can, and probably will, destroy the butter market.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from California.

Mr. HOLIFIELD. As a matter of fact, the gentleman can tell the House that right now in the city of Washington, D. C., you can buy yellow oleomargarine and it runs from 10 to 12 cents a pound more than the white margarine. We know it does not cost that much to color the margarine.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. RIVERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIVERS: Substitute for the amendment offered by Mr. POAGE: Strike out all after the enacting clause and substitute the following: "That, effective July 1, 1949, section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is hereby repealed.

"SEC. 2. Effective July 1, 1949, part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine is hereby repealed."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. I make the point of order against the substitute, because there is a substitute already pending to the pending bill. This is the second substitute offered to the original bill.

The CHAIRMAN. The substitute to the pending substitute as an amendment is in order, and the point of order is overruled.

Mr. RIVERS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is this the same bill that the gentleman from South Carolina introduced last year?

Mr. RIVERS. This is the same bill which passed the House last year by a vote of 260 to 106.

Mr. Chairman, I did not get an opportunity to speak yesterday. This is the first time I have had an opportunity to address the House on this very vital subject.

Last year it was my honor to be the author of a bill which passed this House by an astounding majority. My bill this year is very similar. It is shorter than the one I had last year, and it differs from the bill of the gentleman from Texas in one regard.

At the outset let me say that the gentleman from Texas and I are in the same corner, with the exception of the portion of the gentleman's bill which says that a place shall do this, that, or the other. I disagreed with that proposal last year and I disagree with it this year. I made my disagreement known last year, and the House accepted it. I disagree with it for two reasons. One of them is this: The other body want a bill that they can amend, and if we do not send a bill over there they can amend we will not get anything. That is No. 1.

No. 2, like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], I do not believe there is a way in the world you can enforce the idea of the gentleman from Texas of making these eating places enforce this proposal. I apologize for agreeing with the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], but I think it is window dressing. I do not believe there is a way in the world you can enforce it.

This is the point we come face to face with today. Are you for removing the tax on margarine or are you not? My bill gives you the opportunity to make margarine free from every sword of Damocles hanging over it, from the Treasury Department or any bureau in the Government. That is as plain as the nose on your face. I am not asking for window dressing. I am asking you to go on record today whether or not you are willing to remove from the shoulders of the housewives of this Nation the 13,000 years of work they spend every year in mixing margarine.

The gentleman from Minnesota and the gentleman from Utah say, "Make all you want to, but don't eat it." That is all there is to that bill.

Mother, may I take a swim?

Yes, my darling daughter.

Hang your clothes on a hickory limb

But don't go near the water.

That is their point, make all you want, but they do not want the poor man to

get one drop of it. That is the whole situation.

They talk about the virtues of butter. I know about its virtues, but margarine, too, has virtues. I do not say "oleomargarine," because "oleo" means oil from animals, whereas margarine is made from oils from vegetables. These oils go through a process of refining and do not contain contamination. You never see a bug or any filth in margarine, which is made in a still that cracks and purifies and refines the oil. Margarine is one of the purest things on the American market.

Suppose we said, for instance, that every restaurant in this country would have to put up a sign, Margarine is served here, what would happen? You would have a gestapo in this country that would equal any OPA, and goodness knows we do not want any more OPA's in this country.

What about the little restaurants that are part of the landscape on the main highways? Do you mean to tell me they could enforce it? Not at all. There were a billion pounds of margarine sold in this country last year.

The gentleman from Wisconsin told you very frankly, and I admire him for that—I did not dream I would get to the point of throwing bouquets at these people, especially the gentleman from Minnesota—he said he was for the farmer. I am for the farmer, too, do not make any mistake about that, but there are 140,000,000 people in this country who are not farmers.

I happen to be shedding a few crocodile tears for them, too. This is not a farmers' fight. Neither is this a consumers' fight. This is a fight of the American people, whether they be Republican or Democrat. If my amendment is defeated, I will vote for the Poage amendment, because any amendment is better than the amendment of the gentleman from Utah, or the amendment of the gentleman from Minnesota. And when I say Wisconsin, I mean to include you, too, who also are an actor behind the scenes.

Mr. GRANGER. Mr. Chairman, will the gentleman yield, since he mentioned my name?

Mr. RIVERS. I yield to the gentleman, since I mentioned his name.

Mr. GRANGER. Since the gentleman mentioned Democrats and Republicans, I did not want him to leave out the Dixiecrats.

Mr. RIVERS. I have not asked you for your opinion, but I will tell you we gave you hay for the Haylift Operations out in your part of the country, and we were glad to give it to you. The Dixiecrats came in pretty handy there; did they not? We gave you hay, and we were glad to give it to you. We will give you hay again. We will give you some corn cakes and give you some cottonseed cakes, and we will continue to give you everything you want, because you seem to have a pretty good appetite for that.

Now, Mr. Chairman, we hear talk about margarine being this, that, and the other thing. I called on the Pure Food and Drug Administration yesterday. The seizures—the seizures for the last 12

months of butter for filth and decomposition, and thing of that nature, amounted to 71 cases, as against no cases for margarine. Do not come here and say that margarine is not an edible product. In addition to that, margarine has 15,000 units of vitamin A put into each pound to assure the vitamin content. The gentleman well knows that. I will tell you something else about it. There are over 300,000 farmers in the State of Indiana, Illinois, and Ohio making a great contribution to this and they are making a losing fight. The gentleman wants to bring up a red herring. You have heard about red herrings. You bring in a red herring about this being a southern crop. This is not a southern crop. This is an American problem, whether you come from the North, the East, the South, or the West. There are millions of tons sold on which they do not pay a tax. There is no tax on margarine. Make no mistake about that. There is no tax. There is ransom, there is extortion, there is tribute exacted from every poor man in this country for the privilege of eating the poor man's spread. That is all we offer them. We want to give them a chance to eat this stuff, if they want it.

Then you come to these boys who make this butter. Talk about the butter trust, which is being ably defended here today, that made butter \$1 a pound. They drove everybody to eating margarine. I was one of them, and I am glad because it makes pretty good eating. There are 145,000,000 people in this country today who are going to eat it. They are going to eat it, if they want it. You can put in all this window dressing, you can put in the "hickory limb" amendment offered by the gentleman from Utah or the "Oak tree" amendment offered by the gentleman from Minnesota, and you are not going to stop it. That will make prohibition look like a mosquito in a snow storm. If you want my amendment—if you want to do something—vote for my amendment, just like you had the courage to do last year, and show the American people that we want margarine to take its place in our economy, like any other commodity, and we want it to stand on its own feet in free competition and in the free American way. I have told you again and again, let us face this issue clearly and squarely and let the American people know whereof you speak and whereon you stand. That is my amendment. It is simple—simple. It is the shortest on record, because you do not need any longevity to do the right thing. I commend this to you in the name of the American housewife.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. O'TOOLE. Will the gentleman tell the House about the special quarter-pound package which can be used both for eating and for lubricating the family car?

Mr. RIVERS. Well, I will tell you that if you want to do that, that comes under the heading of Your Business.

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. BRYSON. Mr. Chairman, I thoroughly endorse the gentleman's position.

(Mr. BRYSON asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. BRYSON. Mr. Chairman, I rise in support of the Rivers amendment. Without detracting from the study, thought, and knowledge of other Members of the House on the subject of oleomargarine I believe I can truthfully say that my colleague the gentleman from South Carolina, Congressman RIVERS, has given more study to the subject than any other Member.

It will be remembered that in the Eightieth Congress, in spite of the opposition of the party in power, the distinguished gentleman from South Carolina [Mr. RIVERS] succeeded in securing the required number of signatures on a discharge petition, thus bringing the question of the repeal of taxes on oleomargarine before the House for consideration. The measure was passed but subsequently died in the Senate.

By reason of previous action in the House much discussion has been made on this controversial question. The food value of oleomargarine is well established, generally recognized, and quite fully appreciated. Many of our people throughout the country prefer oleomargarine to butter and especially is this true among those of us who have to watch our budget. Our wives have learned to use oleomargarine to great advantage in preparing our foods as well as to serve on our tables.

Taxes have been levied on oleomargarine for many years. The first discriminatory act against this vital food substance was in 1886 and since that time oleomargarine has borne an unjust tax for the protection of the dairy industry. In recent years many of the legislators from several States have memorialized Congress to repeal the Federal taxes on oleomargarine.

The provisions of H. R. 2023 are not acceptable. Why allow the use of oleomargarine, free of tax, within a State and not allow the free use thereof among the several States? I see no justification for imposing regulations or restrictions on the use, sale, transportation, or consumption of any wholesome natural food like oleomargarine. Our womenfolk who purchase the larger portion of food for our families have keener judgment than we men. Therefore, to endeavor to impose regulations on oleomargarine is a reflection on the intelligence of the housewives of this country.

With reference to coloring, I dare say as much coloring is used in butter as is used in oleomargarine. Many of you recall in the early days, our mothers made, used, and served the very finest and purest butter which was as white as snow. It is only commercial butter that is colored. Let us not permit the use of coloring in butter alone while at the same time preventing the free use of coloring in oleomargarine.

I sincerely trust the House will pass an outright repeal of all taxes, regulations, and restrictions on the use and sale of oleomargarine. That, I believe, is the wish of the majority of our people.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the Poage and Rivers amendments.

Mr. Chairman, in view of the fact that I have taken no time in the Committee on this issue, I ask unanimous consent to speak for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

There was no objection.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. HOEVEN. I was interested in the remark just made by the gentleman from South Carolina [Mr. RIVERS] in which he indicated very clearly the deliberate attempt that is being made to drive butter from the consumer's market. I would like to call the attention of the Committee to page 1538 of the CONGRESSIONAL RECORD of February 24, in which the gentleman from South Carolina [Mr. RIVERS] said:

I make the broad prediction that never again will butter be in any position to compete with margarine.

Mr. H. CARL ANDERSEN. I thank the gentleman from Iowa. He has always fought hard for the best interests of agriculture.

Mr. Chairman, first may I say that I am surprised and disappointed at the fight made here today by Members from the deep South which can only result in great damage to our dairy industry.

It is my purpose during the few moments which I have at my disposal to show just what the passage of the Poage amendment would mean to the average dairy farmer who produces butter in Minnesota. The Seventh Congressional District of Minnesota is the largest butter producer of the nine districts in our State. Because of the fact that we are approximately 200 miles from any large city, we farmers in that district cannot sell our milk as whole milk. We put it through a cream separator and skim it and then take the cream to our local village, where our cooperative creamery manufactures butter out of it and ships this butter by the carload to the eastern markets of the United States. On the farms, we utilize the rest of the milk—the skim milk—as feed for hogs, calves, and hens.

The passage of the Poage bill would, in my opinion, so discourage the thousands of butter producers that hundreds of thousands of good dairy cows would go to market as beef, and dairy herd after dairy herd would go out of existence. Reference was made on this floor yesterday to the high price of butter. The Members who made such references are not aware of the fact that while we did receive in the neighborhood of a dollar a pound for our butterfat for some time following the war, that price has fallen to 70 cents today. We as farmers must have some profit if we are to continue milking cows. There is no profit at 70 cents today for butterfat. Please keep in mind—when you are considering the Poage bill today—that we in southwestern Minnesota have already seen the price of butterfat drop nearly 35 percent below the high point of 1947. Are you—by your votes here today—going to further accelerate that slide downward of the price of butter and serve notice on

the farmers in my district and upon the other dairy farmers in the United States that you do not care whether or not they make a profit for their hard work? Will you by your vote legalize a fraud—oleo?

If the Poage bill is enacted, ladies and gentlemen, it will simply mean without question a further decline in the price of butter. It will mean that each and every butter-producing farmer—and I am one of them—will begin to wonder whether or not he can afford to retain his dairy herd. Yes, it would be simple if we could sell our whole milk at the price obtained in the great industrial milkshed centers in the East, but we do not have such a market. It would also be comparatively simple if we could say to our hired help on the farm, "Bill, the price which I have received for butterfat has dropped down 35 percent and due to the Poage bill it seems that it might drop another 10 percent. Are you willing, in view of that fact, to have me cut your wages by 45 percent, so that I can continue in the business of producing butter?" Bill has already answered me, Mr. Chairman, as I have heard from the men who work for me on my farm that they could not see where they could possibly accept any less money than I paid them last year for the season's work. What recourse is left to my farmers if this Poage bill is enacted into law and if the price of butterfat continues to slide further down to meet that of a deceptive competitive article built up to simulate butter in every way? Our only recourse is to dispose of our dairy herds much as we dislike to do so. The 12 dairy heifers which are today on my farm and which my foreman is developing for the future expansion of the herd will bring a very good price for beef in the markets in South St. Paul. We can sell the milk cows as they become dry later in the season, and by fall there will be no dairy herd on that farm and the production of butter and other dairy products will go down just that much. Multiply this specific example by two or three hundred thousand and you can readily see what effect the passage of the Poage bill will mean to the dairy industry and to the people of the United States. The children of America will either drink high-priced milk in the future or go without.

We cannot afford to see our butter industry impaired through unfair competition when we consider that it supports approximately two and one-half million farm families in America. If we destroy the dairy industry it will mean that over one-third of the meat supply of the Nation, which is furnished from dairy stock, will eventually be eliminated. It will also mean that the price of whole milk will become prohibitive because anything that disturbs one segment of the dairy industry will create havoc with the others since they are so closely related.

The dairy cow, when provided a given amount of feed, will produce twice as much human food as any other farm animal and four times as much as some farm animals. The supporters of this legislation argue that vegetable oil is just as good as butter. If it is so wonderful why do they have to use dairy

products in oleo to make it desirable to eat? Why not just feed the people vegetable oil straight without doctoring it up to look like butter? Why must they imitate butter even to its natural coloring to make oleo desirable?

Butter has a high quantity of vitamin A—27,000 international units. When oleo manufacturers were reminded that their product only contained 9,000 international units—they squirted 15,000 more units into it—to really fool the people. It is no wonder the oleo bloc is so interested in furthering their product—when you stop to figure the profits in the business—29 cents' worth of oil—20 percent skimmed milk, a little salt and coloring—and the product sells for 40 or 50 cents a pound. That is good business—especially when the product is placed on the market to compete with pure butter. I would have no objection to their putting their product on the market if they would color it some other shade—but the oleo bloc is not interested in doing that—they could not get rid of it via that route—they want to continue their deception with their ersatz product.

Let us compare oleo farming in the hands of 24 large manufacturers and butter farming as Minnesota knows it. Oleo farming means less fertility in the soil. Oleo products are soil-depleting. Nothing goes back onto this land. Oleo does not aid in soil conservation. Yet the conservation of our soil is one of our great problems today. Oleo farming means a smaller meat supply. Forty-two percent of the beef and veal in this country comes from the dairy industry. Do we want to make a bad matter worse and practically take meat off the poor family's table? Oleo farming will provide fewer hides for our leather industries. Cottonseed hulls do not afford any salvage after the vegetable oil is taken out. The dairy cow does go to market after her useful work span is completed. Oleo farming will provide less pharmaceutical supplies for the Nation. We are in desperate need today of insulin for treatment of human beings.

On the other hand, butter farming means increased soil fertility. Our dairy farms are among the most fertile of any. Butter farming means adequate supplies of milk and milk products which are so necessary for human foods and to industry. Byproducts are used by industry in ice cream, candy, and other commercial uses—as a matter of fact you can make cloth out of them. Butter farming means a rounded-out agricultural program.

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. H. CARL ANDERSEN. I yield to my good friend, the gentleman from Georgia [Mr. Cox].

Mr. COX. The gentleman has referred to the Members of this body who come from the deep South. That is the section of the country from which I come. I wish to say to the gentleman from Minnesota that I am convinced that it is of infinitely greater importance to the people of the South that the dairy interests be maintained on a profitable basis than that the South should be able to

widen its market in the consumption of cottonseed oil.

This debate has presented a rather ugly spectacle: We find here the farmer-minded Members of the House in furious contest one with the other over the solution of a problem in which they ought to have a common interest and upon which they should be able to find a common ground.

Mr. H. CARL ANDERSEN. I appreciate very much what the gentleman has to say. It is a shame to see our agricultural strength in Congress split wide open because of a fight of this kind. I have always aided you gentlemen from the South in your agricultural problems and I regret as much as you do, Mr. Cox, to see a situation of this kind develop. You have always worked hard for agriculture.

Mr. COX. If the gentleman had more time I should like to make a further observation.

Mr. H. CARL ANDERSEN. I am sorry, but my time is limited; otherwise I would be glad to hear you further.

Mr. Chairman, the Poage bill will, as I have said, further continue the downward slide of butter prices. If you people want to say to the dairy farmers of the Nation: "You cannot get a decent price for your butter; we will not give it to you," do so by your vote here today. My farmers do not need to stay in the dairy business; we can raise beef and hogs; we can raise corn. But I cannot furnish employment to the men I now have upon my farm if the butterfat my cows produce cannot return a fair price because of unfair competition by a fraudulent product, oleo, usurping this butter market.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my good friend from Michigan who knows agriculture well enough to know that we must have a decent return for our work on the farms.

Mr. CRAWFORD. Not only that, but if the farmers of that section of the country are not going to produce liquid milk, where will the kids, the middle-aged, and the old go to get milk? I happen to be a milk drinker.

Mr. H. CARL ANDERSEN. That is a big question. These oleo advocates do not tell us the answer. They are strangely silent on that point.

Mr. CRAWFORD. We have got to have that 125,000,000,000 pounds of fluid milk, but where are we going to get it if the dairy industry of the North is forced out of business?

Mr. H. CARL ANDERSEN. I do not see where the children of America or their parents are going to buy milk at a price they can afford if the dairy farmers of the Midwest are forced out of business because of this oleo cutthroat competition.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to one of the best friends that the farmer has in Congress, the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. I wish to call the attention of the House to the fact that here

we have talking to us on this question one of the very few Members of the House who actually owns a dairy herd. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] does know what the dairy farmer is up against in this threatened loss of his butter market to the oleo interests.

Mr. H. CARL ANDERSEN. Mr. Chairman, I thank the gentleman from Iowa for his kind observation. Let me conclude by saying that if you people around big, metropolitan areas, such as Washington, Philadelphia, and New York, want to be able to buy fluid milk in the future for your kids at a reasonable price, then vote for the Andresen amendment. But if you want that milk to shoot up out of sight; if you want the dairy cows to go out of existence in the area around the Twin Cities and Chicago, then go ahead and discourage our dairy farmers—the 2,500,000 of them—by passing the Poage bill or some similar legislation. Yes; drive us out of business; but I know that you will rue the day if you do so. After all, the one great big point here is whether or not we are going to have enough milk for the children of America in the future at a price their parents can afford to pay.

Mr. GAVIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have listened with a great deal of interest to this debate on oleo. I have heard about the Middle West, the great Northwest, the South, and the Southwest. I want to say that I come from Pennsylvania, which is a great State, a State with some 10,000,000 people, a State that sent 1,300,000 men and women into the armed services in World War II, a State that produced some 30 percent of all the war materials. So it is a great State which I am proud and honored to represent. Coming from Oil City, Pa., the "Hub of Oildom," and my district being in the heart of the oil country, I listened with a great deal of interest to the discussions on cottonseed oil, soybean oil, peanut oil—in fact, all kinds of oil. So I thought I would just take a minute or two to call to the attention of the members of the committee that Pennsylvania is the home of Pennsylvania-grade crude oil, the finest lubricating oil in the world. Superrefined and known and used the world over I can highly recommend to the membership Pennsylvania-grade crude oil.

Mr. COTTON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as I explained yesterday afternoon in general debate, I was the only Member from a northern dairy State on the Committee on Agriculture to support the Poage bill rather than the Granger bill. The main reason that I did that was because I feared the very thing would happen that is being attempted now on the floor of the House. I feared that if we did not adopt and pass the Poage bill, which, in my opinion, repeals the tax and at the same time includes a practical protection for the dairy farmer and his product that is served in the public eating places of this country, the result would be that the tax would

be taken off entirely without any protection for the dairy farmer.

Mr. Chairman, for 60 years this tax has been levied and it has been there for a purpose. It has been there to protect an industry that conserves and improves our soil and feeds our country. I want to see this tax repealed because it is an unsound and improper approach to the problem. But today the farmers of my State and your State are entitled, when it is repealed, to have in its place reasonable safeguards that their products shall be known and distinguished and that no other product shall be served in public places when the public believes it is buying butter.

Let us keep this clearly in mind: If you want to put a ban on colored oleo and prevent the consumer from getting it if he wants it, support the Granger bill. If you want to crucify the dairy farmer, support the Rivers substitute. If you want to settle this thing right, with a fair proposition for the consumer and the dairy farmer alike, defeat the substitute and vote for the Poage bill.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from South Carolina.

Mr. RIVERS. How would you crucify the dairy farmer by supporting my bill, when by the gentleman's own admission only 3½ percent of all margarine sold goes to public eating places? How on earth are you going to protect the dairy farmer with that small percentage of it going to eating places? Explain that to me.

Mr. COTTON. I will be delighted to explain it to you, sir. Perhaps only 3½ percent of the oleo sold today goes to public eating places, but wait and see what will happen after this bill is passed. Nearly 40 percent of the meals of this country are served in public eating places. The farmer is entitled to be protected, and so is the consumer, and it is our responsibility to see that oleomargarine is not served when the customer thinks he is buying butter. The same is true of other articles. If I am a manufacturer of automobile tires, I want my product distinguished. If I am a manufacturer of butter I want the public to know when it gets butter.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Will the gentleman tell us how much it is going to cost to police this proposition?

Mr. COTTON. That is impossible to answer. But many, many States today have regulations. I think that in view of the fact that we are policing every restaurant and every public place in this country for various things, that we can well see to it that as obvious a provision as this one is enforced.

Mr. SMITH of Wisconsin. Was there any testimony before the gentleman's committee on that proposition?

Mr. COTTON. I do not recall any.

Mr. RIVERS. Mr. Chairman, if the gentleman will yield further, the gentleman favors then for the purpose of polic-

ing this proposition the return to the old OPA days?

Mr. COTTON. Oh, no. You already have a set-up to take care of pure foods to protect the public, and that is all this bill calls for.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The chairman of our committee, the gentleman from North Carolina [Mr. COOLEY] has a letter on the subject of cost, and as I construe that latter it will cost \$5,000,000 a year, approximately, and 950 men to make one inspection of restaurants each year; just one inspection.

Mr. COTTON. Would the gentleman not be willing to spend that to protect the dairy farmer?

Mr. AUGUST H. ANDRESEN. Well by the time the inspector came around, why they would not be serving it that day, if he can only visit one restaurant once a year. In some places of the country, as the gentleman has indicated, they will be serving oleo there right along instead of butter, without in any way complying with the law.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last two words and I ask unanimous consent to proceed for five additional minutes.

Mr. COOLEY. Mr. Chairman, reserving the right to object, and of course, I shall not object, but I want to serve notice now that hereafter I shall object to any further extensions of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, we have before us now three pretty clear-cut propositions. All of them take off the tax on oleomargarine. The Granger bill prohibits the shipment in interstate commerce of oleomargarine colored yellow. The Poage bill has no such provision, but it regulates the serving of oleomargarine in public eating places. The Rivers bill simply removes the taxes and contains no policing provisions whatever. I think from a practical standpoint there is little to choose from between the Rivers bill and the Poage bill.

I agree with the gentleman from South Carolina and others who have pointed out the impracticability of enforcing the Poage bill. As was stated a moment ago by the gentleman from Minnesota, the Pure Food and Drug Administration states that it would cost \$5,000,000 a year to visit each eating place once. Well, if you multiply that by 365 you get some idea of what it would cost to really enforce the Poage bill. So I regard it as entirely impractical.

Let us discuss for just a minute what the Granger bill does in the way of changing the present situation. At present we have a number of taxes on both white and colored oleo. There is a $\frac{1}{4}$ -cent tax upon the uncolored oleo. There is the tax upon the manufacturer of \$600 per year. There is a tax on the

wholesaler of \$480 if he handles colored oleo. There is a tax of \$200 on the wholesaler if he handles only the uncolored. The retailer pays a tax of \$48 if he handles colored oleo or \$6 if he handles only the uncolored oleo.

If you operate a hospital—and there was a lot of complaint about this last year, and justified complaint, certainly—there is no way that you can serve colored oleo without putting yourself in the class of a manufacturer and paying a \$600 tax.

I think the imposition of the tax in the first place could have been justified only because at that time it appeared to be the sole way in which to exercise any control over this product, but in recent years the decisions of the Supreme Court in the filled milk and similar cases have indicated that there is a better method. That is to prohibit the shipment in interstate commerce of colored oleomargarine, and then leave it to the respective States to decide what they want to do with oleomargarine that is manufactured within those States.

That is what the Granger bill does. It takes all taxes off. One of the grave complaints on the part of retailers was that in most cases, except in the larger stores, it did not pay them to take out the license and pay the dealer's tax. Consequently, you could not buy oleo in a very large percentage of the retail outlets of this country. Since all retailers' taxes are eliminated, oleo can, and no doubt will, be sold in all the food stores of the country if the Granger bill is adopted. It will be handled by wholesalers, large and small, because there is no tax for them to pay. The restrictions that we imposed by way of the manufacturer's tax upon those who operate hospitals and eating houses and places of that kind will be taken away. There will not even be the $\frac{1}{4}$ -cent tax upon the uncolored oleo. Therefore, this bill goes a long way in meeting all the complaints that have ever been made respecting the oleo tax.

The bill contains a provision for the protection of the dairy industry, in that you cannot ship in interstate commerce oleo colored yellow, but aside from that there is no restriction of any kind, upon the manufacture and sale of oleo in this country.

The Granger bill, in my opinion, will not seriously interfere with the present sale of oleo, but it will be oleo that will be sold as oleo in its natural color, white. And it takes just as much vegetable oil to make a pound of uncolored oleo as it does a pound of colored.

I want to call your attention to another point which I do not believe has been discussed fully. A very large proportion of the oleomargarine which is bought by the housewives of America is used for cooking. No housewife who uses oleo for cooking cares whether it is white, yellow, or any other color. The color makes no difference. So, the imposition of any restraint upon shipments in interstate commerce of oleomargarine will not in any way affect the housewife who buys and uses oleo only for cooking.

The Granger bill is a compromise, frankly. It is not all the dairy people

would like and it is not all that the oleo people would like. There may be some consumers who do not like the Granger bill, but it is a fair compromise.

The gentleman from Texas says everyone should have the right to buy exactly what he wants in the form he wants it at any time. I do not think the gentleman from Texas, himself, believes in that entirely, and certainly they do not believe in that in the State of Texas, because in that State and in many others in the South they have a 10-cent tax upon all oleo which is manufactured from imported ingredients. If the gentleman believes that everyone has the right to buy anything they want in any form, then he certainly cannot believe that his State is right in imposing a tax of 10 cents per pound upon oleo, which is made from imported ingredients.

This is not simply a question of competition between two farm products. It is more than that. The element of soil conservation, which is involved in this bill, has been discussed very ably by some distinguished gentlemen from the South. There is no more important domestic question before the people of this country today than the conservation, and the restoration of our soil. Dairy farming, without anything else means conservation. It is automatic conservation. I want to say to my friends from the South that I have supported the agricultural programs which have been proposed for the South, but I say there is no agricultural program which will do half as much for the South as building up the dairy industry there. There is no State in the South today, as I am informed, where the dairy industry is not far more important, and does not bring in far more revenue, in dollars and cents, than the production of vegetable oils. And that is not saying anything about conservation. There is nothing that will restore the eroded and worn-out soils in some parts of the South, and other parts of the country as well, to the same extent that an expanded dairy production will. And there is no part of this country which has a brighter future from a dairy standpoint than the South.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, the Members of this House, in voting on the oleo bill, face a grave responsibility, the results of which will affect, for years to come, the entire Nation.

This legislation is wide and fundamental in its scope. The Granger bill, which provides for the removal of all taxes on oleo but prohibits this product from imitating the yellow color of butter, is a fair compromise, and as far as the Members of this House should go in the interest of all of the people.

If this bill is defeated by substituting the Poage bill, it will strike a terrific blow to 2,500,000 hard-working dairy farmers and the employment of 10,000,000 people in the production and processing of dairy products.

It will mean a blow against soil conservation made possible by the growing of

legume crops and fertilizers from the dairy herds that will have a lasting effect toward destroying the productivity of the soil at a time when the Government, through soil-conservation efforts, is spending approximately \$500,000,000 a year.

From the dairy herds we receive 40 percent of beef for food in America. Dairy herds have been reduced 2,000,000 in number since 1945. The defeat of the Granger bill will have such a devastating effect on the dairy farmers that this much-needed food supply in beef in addition to dairy products will greatly decline in the future, at a time when our population is increasing, when we need to build up the dairy herds in an effort to produce more milk, butter, cheese, and ice cream for the growing children and the people generally.

Mr. Chairman, it will mean the production of less hides with which to make shoes, luggage, and other leather goods which in the future will raise the price of all of these articles to the consumer.

When the dairy herds are further depleted, and after the demand for milk, butter, and milk products increase, it will naturally drive these prices higher, causing a loss to the consumer of much more than any benefit they will receive through the use of the substitute oleo.

It will throw millions of people out of employment—the farmhand assisting the dairy producers, dairy farmers, and those who process and distribute dairy products throughout the Nation from the little cream-station operator to the great manufacturing plants.

It will cause a shortage of and an increase in the price of butter because butter is the hub of the dairy industry. It is so because during the flush season of milk production the only way to take care of the over-production is to process the milk into butter and put it in cold storage where it will keep in perfect form if necessary for months and years. Then in the low season of dairy production this butter goes on the market to supply butter for the people of the Nation.

I ask you to consider this important point because it is the policy of this Government through the Commodity Credit Corporation to buy up corn, wheat, and dozens of articles of farm production when there is an oversupply, and hold them so that they can go on the market when the over-production period is passed and these foods are needed in scarcer times.

It has been the policy of the dairy producers to follow this practice and millions of dollars in cold storage space have been provided for butter through the investment of the processors to meet this overproduction, in an effort to continue a normal supply and price level in meeting the need of the people of the Nation for these absolutely necessary food products.

Mr. Chairman, the present administration in the last campaign had much to say about taking care of the little man. The Granger bill helps to take care of the consumer by taking off all the tax, and it helps to take care of the little man who works unthinkable hours on the farm taking care of his

dairy herd, milking them every day including Sundays, each morning and night and then holding or sending the butter or milk to the towns and villages of the Nation.

I cannot believe the Members of this Congress, most of them who know the thrift and long hours of toil necessary to provide the dairy products of the Nation, will pass a piece of legislation like the Poage bill that will almost destroy the opportunity and future of the dairy producers who have billions of dollars invested in this great industry.

Mr. Chairman, the Members of this House today by their vote will join with one of the tightest and biggest monopolies in this country, the 24 processors of oleo, or by their vote they will take their stand to protect the 2,500,000 dairy producers and the millions of men they employ in this industry.

If the Poage bill is substituted for the Granger bill it will not only strike a devastating blow at those engaged in the dairy industry but it will put this monopoly into a position where they can imitate butter, and when they have this opportunity the consumers who are now purchasing oleo for what it is, will find that this monopoly has raised the price which will work a hardship on the consumer. Those people who have been deceived by this oleo trust in the thought that it will be beneficial to them in price will find that they have made a great mistake and that the price of oleo when colored yellow will rapidly move up to near the price of real butter.

Mr. Chairman, I believe that the housewives in the towns, cities, and villages of this Nation who can now buy oleo in its natural color would rather so buy it at the lower price, and take the little trouble necessary to color it, as they have been doing, than to take the chance on the price raise that is sure to follow if the oleo trust is allowed to sell it over the counter in the yellow color.

The American people when they understand a problem are generally fair. I do not believe the consumer now that we are willing to take the tax off of the price of oleo, will want a blow struck against the dairy industry that will bring about less milk, less beef for the table, less hides with which to make the shoes, luggage and leather goods the men and women buy, or that they will want to penalize the farm women and take away from them their opportunity for a decent living, who are working along with their families in helping to produce the dairy products of the Nation.

Any substitute bill for the Granger bill should be defeated. The Granger bill should be enacted into law in the interest of all of the people of this Nation.

Mr. CRAWFORD. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CRAWFORD moves to strike out the enacting clause of H. R. 2023.

Mr. CRAWFORD. Mr. Chairman, I make this motion merely to get a chance to speak on this bill as I could not get time otherwise.

Mr. Chairman, we have on the books at the present time a law which has been

there for a number of years which prohibits the manufacture and sale in any of our States, Territories, or the District of Columbia, what is known as filled milk:

The term "filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting produce is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.

The law states that filled milk, as herein defined, is an adulterated food injurious to the public health, and its sale constitutes a fraud upon the public.

This subject which we are discussing today may be broader than we think. On yesterday I introduced in the House two bills, one H. R. 3938, to prohibit the manufacture and shipment in interstate commerce of imitation cheese; and the second, H. R. 3939, to prohibit the shipment in interstate commerce of imitation ice cream and ice milk, and for other purposes.

There is the filled-milk proposition. The bill under consideration is the oleo-margarine-butter situation. I hope the Committee on Interstate and Foreign Commerce may do something about the other two bills to which I have referred, because eventually this will all have to come to a shown-down and we shall have to deal with it. We might as well start dealing with it now, for it has a bearing on the Granger-Andresen bill, which I propose to support.

I doubt if there is any Member of the House who has had to do with farming in any more States than I. I was practically born in a cottonfield. When I was 5, 6, 8, 10, and 12 years of age, I had gone to the cottonfields many, many mornings as early as 4 o'clock in the morning, gone to sleep in the cotton piles, cotton unginned, and slept for awhile until the sun came up or until the dew was a little bit off the cotton so we could go to work. I spent years in the cotton areas of this country and I know something about cotton. I have lived in the West and in the irrigated areas in the Midwest of Iowa, Minnesota, Michigan; and recently, that is, some 4 or 5 years ago, I picked up a farm out here in Maryland which had been farmed to tobacco for generations. You can go out there this afternoon and you will see some white-faced steers where I am trying to build up that soil. I want to pay tribute to the gentleman from Missouri [Mr. CHRISTOPHER] who gave us some unadulterated farm facts here yesterday. Should he say nothing else while he is in Congress, he would have me convinced that he knows something about farming. You are not going to run farms successfully unless you have livestock on them. You are not going to rebuild your worn-out soils unless you have livestock. I know what straight cotton farming will do; I know what will happen to the cotton industry if we withdraw the Government support; and I know also that the crop of cotton is one of the greatest

boons to mankind, and one of the most valuable crops on the face of the earth. I know what peanuts will do to the country. I know the kind of support we gave to the peanut industry where we have raised the price to the farmer from around \$34 per ton to up around \$190 per ton. We need a little more fat converted from vegetables into meat on the hoof grown on farms to keep the farms going if we are to feed the 147,000,000 people we have at the present time, to say nothing about the other twenty to thirty million we shall have in this country before some of the Members of this Congress have passed to the Great Beyond. So, there are economic reasons, which have been partly touched upon but which have not been fully developed, which cause me to support the Granger-Andresen bill; and I hope this House will vote it through when the time comes to vote on it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise at this time to tell a little story to the members of the Committee this afternoon which I think is rather apropos of our present situation. We seem to have arrived at a point where understanding is in question and where confusion is rampant.

It reminds me of the story I heard some time ago of the farmer who was driving a load of fertilizer across the environs of an institution for the mentally inept. As he drove his wagon he was accosted by one of the patients. The patient said to him, "What have you got in your wagon?"

The farmer answered, "That is fertilizer."

The patient thereupon asked him, "What are you going to do with it?"

The farmer answered, "I am going to put it on my strawberries."

The patient looked at the farmer a minute, scratched his head, then said, "That's funny. We put sugar and cream on ours and they call us crazy."

Mr. Chairman, we have had three bills presented to us today and I think the Members can well scratch their heads and wonder what this is all about.

Reference has been made this afternoon to the so-called butter trust. If there is a butter trust in this country, I am too naive to know that there is one, and I may say further that I have never been contacted by any member of the butter trust suggesting that I cast my vote one way or the other on any question that has come before the Committee on Agriculture.

I have been accused of having something to do with the dairy lobby. If there is a dairy lobby, there, again, I am completely innocent of its presence. I am cognizant of the fact that there are 30,000 dairy farmers in my district, and

if they constitute a lobby, then they could probably have some effect if they were to suggest to me that I vote in their interest. I do not think that is entirely apart from the policy which every conscientious God-fearing Member of the House of Representatives takes and the position he assumes when he represents his own district. The suggestion that there is a dairy trust or a dairy lobby working upon the Members of the House to vote in the interest of the dairy farmer is entirely foreign to anything I know of. I have had no experience or connection with them, and I know that the great majority of the Members of this House have had nothing to do with them. So, for that reason, I want to say that I feel that the opportunity is here for every Representative to cast his vote as he sees fit, in a conscientious way, and as his convictions demand that he cast that vote.

I want to say one other thing, and that is that a lot has been bandied about on the floor regarding the price of oleomargarine and what this bill is going to do to it. The price of oleomargarine is going up within a few cents of butter when this tax is taken off. I am going to vote to take this tax off, but, as I said on the floor of the House the other day, I have grave fears that those ambitious and greedy people who are anxious to absorb this tax will immediately bring about a price rise in oleo so that it will come within a few cents of the cost of a pound of butter. Of course, it may result in this: That the butter market may go up and there may be more demand for a pound of butter than there ever has been before because all you have to do is put the two side by side at the same price level and see what happens.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BREHM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it should be pointed out that it costs less to manufacture colored oleomargarine than it does uncolored oleo, according to a representative from an oleo manufacturing company in my office a few days ago. He told me that it costs less to make the colored variety than it does to make the uncolored. I said, "That being true, why do you not sell the colored variety for less money than you sell the uncolored?" He said, "Because it more naturally resembles butter and therefore commands a higher price." For those of you who seem to think that if you pass legislation by reason of which all oleo will be colored that you will provide a cheaper spread to low-income groups, I would like to point out that if it is true that the colored variety can be made cheaper than the uncolored, there just will be no uncolored oleo on the market, it will all be colored, and therefore you will not be doing any kindness or any favor to the low income group, because the uncolored will disappear from the market. He told me that the reason it was more expensive was because they had to process the uncolored in order to keep it white, otherwise it would fade out and become a dirty gray in color. That may be one reason, or at least something to think about as to why

they insist that all must be colored. It would be good dollar business to make the colored for less and sell it for more.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not want to question what the oleo manufacturer told the gentleman, but all of the information we have had before our committee from chemists state that they must get it into its white form before it can get into the type so that it will be in a shape to look like butter. I have before me samples. It is true that cottonseed oil and soybean oil are naturally yellow in color, but they cannot make a product without taking that color out of it; it is just impossible to do it. There are certain chemical processes they must go through with to get a material and a consistency that will shape into butter, so I am afraid the gentleman stretched his imagination.

Mr. BREHM. Of course, I am only quoting. He came into the office and asked me if I cared to state my position, and I replied certainly not. I said, "I am in favor of eliminating all taxes on oleo; as a matter of fact, I am opposed to all taxes on food. I think it is morally wrong to tax food of any kind. He said, "Thank you, that is all I am interested in." And I said, "Are you not interested in the color?" "Well," he said, "we will take care of that." Then I asked the question, "Would uncolored oleomargarine disappear from the market if this bill becomes law? And he said, "Between you and me, we can make the colored cheaper than the uncolored," and he was the man making it, so I could not question his statement.

The only point I am trying to make is that if it is cheaper to manufacture the colored variety and sell it for more money than it is to manufacture the uncolored, and the consumer is demanding a law which will permit him to buy colored oleo, then that may be the reason the manufacturers of oleo are spending millions in order to try and get this law passed. They would be foolish if they did otherwise. If the uncolored disappears and the price of colored goes up I will venture the prophecy that butter sales increase. No one will choose oleo in preference to butter if the price is in close proximity.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman understands that the reason it is easier and cheaper to make colored margarine than to make uncolored margarine is that under the present law and under the Granger-Andresen bill it becomes necessary to bleach every bit of margarine that is sold as uncolored margarine, because the natural oils are yellow. While it is true that the manufacturing process now used does destroy most of that color, there is an amount of color left that has to be taken out to avoid the payment of the tax. Consequently, white margarine has to be bleached. The result is that there is an extra process involved

in producing white margarine, and it costs more to do it.

Mr. BREHM. Does the gentleman feel there would be any white margarine on the market? Would it not all be colored, then, and sold as imitation butter at a higher price? They would not make the cheaper product. They would not sell white for less, as they are now doing because there would be none of the white variety available.

Mr. POAGE. Clearly it would not sell for less than the white margarine now sells, no, but it would sell for approximately what white margarine now sells for, because if you would pass H. R. 3 there would be free competition.

Mr. BREHM. There would be no white margarine on the market if this bill becomes law, is not that true?

Mr. POAGE. I think it is probably true that the great mass of it would be yellow, because it would be cheaper, and the public would want it; but it would sell at the cheaper price.

Mr. BREHM. It should now; they make the colored cheaper than they make white.

Mr. POAGE. But they cannot do it because right now these dairy people have a tax of 10 cents a pound on every pound of yellow margarine, so it cannot sell for less.

Mr. BREHM. Well, Mr. Chairman, frankly I favor the Granger-Andresen bill and intend to support it to the very end. However, if we should be defeated in that objective and in the final analysis I have no other choice presented than the Poage bill, I will be compelled to support it for the following reasons:

First, it removes all Federal tax and license fees. Second, it provides adequate safeguards against fraud or deception by all those serving or handling the product, and, third, it reserves for the individual States the right to take final action within their borders through their various State legislatures. This means for instance in my native State of Ohio that all Federal taxes are removed, and that it is entirely up to the State legislature as to whether or not the ban against selling colored oleo in Ohio shall be lifted. I do not see how anyone can object to these three provisions.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York [Mr. EDWIN ARTHUR HALL] stated that he knew of no pressure that has been applied by the dairy interests on any Member of Congress. That may be true. I know of no such tactics that has been applied. I do know that they maintain one of the strongest lobbies that Washington has ever seen. You know that is true. They have a perfect right to do that. They can carry on this work if they care to. It is perfectly lawful to lobby provided you register as provided in the Reorganization Act.

Let us see what the RECORD shows with regard to that lobby. I read from page 461 of the 1948 hearings, "Further statement of Charles W. Holman, Secretary, National Cooperative Milk Producers Federation":

Mr. POAGE. Mr. Holman, I want to read a little article. It says:

"Dairy plants are being used to contribute a sizable amount of money to a fund which is designed to circumvent the efforts of the oleomargarine industry to deceive Congress and the Nation's consumers" to deceive Congress and the Nation's consumers, "with respect to the vital issues involved in the existing controversy."

It goes on now to talk about this fund:

"Dairy Record endorses this movement and urges generous contributions to the fund. Those not affiliated with any of the three organizations"—

The three organizations are stated as being the American Butter Institute, the National Cooperative Milk Producers Federation, and the National Creameries Association—

"may select the one of their choice as the medium of collecting their contributions. It really does not make much difference which you select."

"The program calls for a contribution of 20 cents per 1,000 pounds of butter fat received last year."

"The purpose of the joint committee representing the three groups involves setting up means whereby the Members of the Congress and the consuming public will be kept fully informed regarding the dairy industry's side of the argument, not only while the present battle is in session before Congress, but in the years to come as well."

That was brought to the attention of Mr. Holman. Mr. Holman knew very little about it. The gentleman from Texas [Mr. POAGE] asked this question:

Now then, does the national Cooperative Milk Producers Federation, which is listed as one of the three agencies that are to receive contributions, according to the editorial in the Dairy Record, have any knowledge of this plan to collect 20 cents a thousand pounds of butterfat?

Mr. HOLMAN. Yes, we have some knowledge of the plan which has not yet been put into effect. I hope it will be.

Let us see how much money was contributed, if the plan was put into effect. The gentleman from Texas [Mr. POAGE] asked:

How much would you estimate?

Mr. HOLMAN. I think that outside of the National Milk Producers Federation you would get about \$25,000. I am being realistic, Mr. POAGE.

Mr. POAGE. Of course, if you actually collected for this fund at the rate suggested it would bring in nearly a quarter of a million dollars. According to the Bureau of Agricultural Economics, there was 1,067,934,000 pounds of butterfat required in 1947 to produce the butter that was produced, and that at 20 cents per thousand pounds, would total \$213,586.80, would it not?

That fund, of course, would be used for the purpose of influencing Members of this Congress in line with the program of the dairy lobby—the butter lobby, to continue the restrictions against the sale, use, or distribution of yellow margarine.

Let us see a little further. Mr. Holman is on the stand.

The gentleman from Texas [Mr. POAGE] is asking him about the expenditures that he has made as head of the organization in Washington, and the testimony is as follows:

Mr. HOLMAN. I have no book records with me. I can say this, that the congressional dinner was attended by about 200 of our friends in the Senate and the House, and the cost to us of the dinner was \$4.95 per plate.

I bring you this testimony to show that there are other types of organizations coming before the Members of this body, and before congressional committees that are not alined with the oleomargarine industry—and they have a perfect right to do that. I do not condemn organizations for lobbying. They are simply doing what they were created to do.

Mr. Chairman, the consumers of America have been deprived of freedom of choice, one industry favored and another tied down to discriminatory laws passed many years ago. I hope that yellow margarine can be placed on the same basis as its competitor.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time particularly to keep the record straight. That is about the only thing that I want to do. Before I make any further remarks I want to say I am leaving it in the hands of the gentlemen who have been in the House much longer than I have. I do not know that they need to be reminded about it, but I am going to remind them, to see that this bill and every amendment to it get a yea-and-nay vote, because I want these things to be a matter of record. I want that record kept straight, because I want to be able to know who does what.

Mr. Chairman, there has never been a depression in the United States except that it started on the farm. That is the only place we have ever had a depression start. I have a little statistical information which looked so unreliable that this morning I called the Department of Agriculture to check on it and find out if it could be true. The statisticians in the Department of Agriculture assured me that the 25 percent of American farmers who were in the lower bracket—that is, from zero to 25 percent, the lower one-fourth—with an average of 4.12 people in each family, had an annual net income in 1946 of less than \$400. You want to remember that. If you think I have made a misstatement call the Department of Agriculture and check it. If I am wrong I will get up here and admit it and apologize.

He further told me that the next 25 percent of American farmers had an average income per family in 1946 of less than a thousand dollars. A great many of these folks are dairy farmers. They cannot buy a full-page ad in the Country Gentleman. It cannot be done. Their income does not justify it.

I want to remind the gentleman from Texas [Mr. POAGE] that that is one of the reasons why the dairy farmer has been retreating and retreating and retreating. Today the American dairy farmer is standing on the bank of a precipice. There is no further retreat. But I am going to retreat, and I am one of them. I am going to sell my dairy herd for whatever it will bring. They are purebred Holsteins. I am going into the beef cattle business. If somebody wants milk let them beat up a little oleo in a cup of water and drink it. It will suit me.

I do not like this Granger bill a bit, but I am accepting it as the least of two

evils. The Poage bill and the Rivers bill remind me of the story of the two tramps and the dog. The dog was just inside the gate and he was growling and wagging his tail. One tramp said to the other: "Go on in. Don't you see the dog is wagging his tail?" Bill said, "But he growls and shows his teeth. One end of that dog isn't telling the truth."

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. No. I have only 5 minutes. You will have the floor plenty soon.

Now, the gentleman from Texas said he wanted everybody to know exactly what he bought; whether he bought butter or oleo. If oleo was not so intent on stealing the yellow color, it would not have to be policed. If oleo was any color except yellow, you would know that when you got yellow spread you were getting butter, and when you got a spread of any other color you would be getting oleo. But the oleo people, with the aid of certain folks in this House, are bent upon and determined to perpetuate a fraud on the American people. They speak for that privilege and they will probably vote for it. But I want the RECORD clear. I want to know who perpetuates that fraud.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CHRISTOPHER] has expired.

Mr. TALLE. Mr. Chairman, I move to strike out the required number of words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TALLE. Mr. Chairman, Iowa, the State I represent, is one of the largest butter-producing States in the Union; a State that during World War II furnished 10 percent of the Nation's food. I was born and reared on a dairy farm. I have done all of the kinds of work that are done on a dairy, livestock, poultry, and grain farm in the upper Mississippi Valley.

I trust, Mr. Chairman, that the membership of this House will think twice before dealing a crushing blow to the dairy industry, because sometimes careless blows go farther than the first target. I am thinking of the words of the great political philosopher of the nineteenth century, Herbert Spencer, who said:

The theory on which he, the practical politician, proceeds is that the change caused by his measure will stop where he intends it to stop.

He contemplates intently the things his issue will achieve, but, thinks little of the remoter issues of the movement his act sets up, and still less of the collateral issues.

Knocking out the dairy industry may be the bull's-eye objective of the "practical politician", but the ultimate consequences of hasty action will not be overlooked by the thoughtful legislator. So, I refer to the preface of the book on economics by Alfred Marshall, a name I think all of you know, for he was a distinguished economist of the late nineteenth and the early twentieth centuries. He produced a book that is on the reference shelf of every college or

university that makes any pretense of teaching sound economics. In the preface to his notable work he says "if the economist reasons rapidly and with light heart, he is apt to make mistakes at every turn of his work." I wonder if it may not be true that there has been too much of rapid reasoning in Government affairs during the past 15 years; and I wonder too, if the light-hearted atmosphere surrounding those who have made the decisions has not been more merry than it would have been if the ultimate consequences had been contemplated in advance.

I say to you that I am not interested in the window dressing of this dispute. I am not interested in the surface arguments. I want to dig deeper than the first layer. This is a struggle between big business, on the one hand, and small enterprise, on the other—and do not forget the old adage that all power corrupts and absolute power corrupts absolutely.

Oleomargarine is a mass-production, assembly-line product, controlled by some 20 companies with 65 percent of the total production concentrated in five gigantic industrial corporations. Butter, on the other hand, is produced individually and cooperatively by approximately two and one-half million farm families, plus some 40,000 small dairy plants. Obviously the farmers and small creamery cooperatives cannot hope to produce butter at a figure anywhere near the production costs of a synthetic, assembly-line, mass-production substitute. Remember, once monopoly is firmly established, he who controls the supply fixes the price. That price will be the figure which yields the highest net profit to the monopolist.

In the past century we have developed here in the United States a well-balanced agriculture in which dairying, livestock and poultry raising, and crop farming are closely interrelated. If this balance is upset, our entire economy will unquestionably be shaken. Let us then examine the agricultural structure. The millions of dairy farmers and thousands of small creameries, to which I referred a moment ago, are admittedly the dominant food-producing group in American agriculture. More than one-quarter of all the milk produced by the dairy farmers is churned into butter. Butter, then, is the balance wheel of the dairy industry, and it follows logically, I contend, that sacrificing butter production to the oleomargarine industrialists will upset the balance of our agricultural structure with a resulting adverse effect upon the Nation's economy.

Mr. Chairman, in the current session I have introduced a bill similar to H. R. 2023, I want to say, however, that in my opinion the provisions of this legislation do not go far enough. Instead of merely prohibiting the movement of butter-colored oleomargarine in interstate commerce, we should prohibit the manufacture and sale of butter-colored imitations. Mr. Chairman, in support of my views, permit me to cite the recommendations adopted by the board of directors of the Iowa Creameries Association a few days ago:

We urge you to put forth every effort to secure passage of H. R. 2023, recommended by the Agriculture Committee of the House. In making this request to you, we wish to add this explanation:

We believe H. R. 2023 should be changed so as to not restrict its scope to interstate commerce only. The elimination of taxes and licenses which were established as control devices on oleomargarine manufacturers and protective measures for the consumers, were, as we understand the bill, incorporated in the original H. R. 2023. The oleo group at the start used the tax and license requirements as a basis for their propaganda and advertising. Now instead it is the right to color.

We feel the defeat of H. R. 2023 would not be to the best interest of our national welfare and certainly not for the best interests of agriculture or the consumers. We believe the passage of any legislation that permits the unrestricted manufacture and sale of products, made, processed, and packaged so as to imitate in every possible way other established products, will break down the moral fiber of our people, undermine fair trade practices and weaken our confidence in Democratic government.

We not only urge your support to H. R. 2023, but your personal efforts to enlighten other Members of the House to see the serious impact the defeat of this bill will have on our entire economy.

Mr. Chairman, the issue is clear. It is the big business oleo industrialist as against the small business dairy farmer. I choose to cast my lot with him who has always been a staunch supporter of free enterprise—the American dairy farmer.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. LEMKE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the dairy industry does not object to free competition, but it does object to deception.

Mr. Chairman, there are three classes of people who want oleo colored yellow. First, there is the housewife who is ashamed of what she is doing when she buys oleo and she wishes to deceive herself and her family by coloring it yellow—by imitating butter.

There is nothing new in this self-deception. We even deceive ourselves to the extent that we think we can lengthen or shorten the day by turning the clock backward or forward. Self-deception is as old as man; but my advice to these people is that if they are ashamed of what they are eating not to eat it. Stick with the cow and let oleo alone. The cow has been your best friend—the best friend of your children and your family. "Don't cut off your nose to spite your face."

If you like oleo, you need not be ashamed of its color. White is supposed to be the sign of purity. You are not ashamed of eating white potatoes. You are not ashamed of eating white ice cream. You are not ashamed of eating angel-food cake. Why so finicky about the margarine? Are you afraid that there may be pink boll weevils in it? Just why do you wish to steal the trademark of butter for a few oleo manufacturers?

Then there is the second class—the hotels, restaurants, and some of the

grocers. These wish to deceive their guests and their patrons for a profit. This deception is a fraud upon the guests as well as upon the dairy business.

Last, but not least, come the oleo manufacturers. They wish to imitate butter for a fraudulent profit. They wish to steal the trade-mark of butter, which since time immemorial has been yellow. It is true of different shades of yellow, the same as oleo also has different shades and colors, but not yellow. In its natural form it is pink or brown—perhaps pink from the pink boll weevil.

These people are asking the Congress of the United States to assist them in this theft. Surely this Congress will not knowingly assist the oleo manufacturers in perpetrating a fraud upon the public as well as upon the dairy industry. The Granger bill will prohibit the imitation for the sole purpose of deception, fraud, and a profit.

There are no two ways about this.

Surely my southern friends whom we of the Middle West have continually assisted and aided in their cotton crisis, do not now wish to pay us back by assisting the oleo people to perpetrate this fraud upon the dairy industry.

I repeat, "Do not cut off your nose to spite your face." If you permit the oleo manufacturers, who have gotten together to monopolize the oleo industry, to succeed in crushing the dairy industry, then the price of oleo will go up and you will soon be paying as much for oleo as you will for butter. You will kill the dairy industry and with it will go veal. You then in buying roast veal and veal chops will pay the penalty in higher prices, and you will also pay higher prices for beef.

I am reliably informed that the dairy industry produces 40 percent of the beef consumed in the United States. With the price of beef going up, the price of fluid milk will go up. There will be no fluid milk for the babies or for the children.

You may say that you will get synthetic milk, but that will not be the kind that has produced the healthy children of the past. If we are not careful, the babies may even become synthetic.

In my State 60 percent of the milk is churned into butter. We have no large cities. We are now the ninth State in the Union in dairy production. If we permit oleo to be colored yellow, then the vast majority of the dairy people of my State will have to go out of business, and do not forget that you will pay the penalty in higher prices for fluid milk, veal, and beef, and your babies will have to be fed on synthetic milk.

It is unthinkable that this Congress will become a party to the perpetration of a fraud—will knowingly permit the oleo industry—yes, the millions they have spent to create an erroneous sentiment—to perpetrate a fraud upon the public and the dairy industry, to steal the trade-mark of butter. Surely we have not forgotten the commandment "Thou shalt not steal."

We have no objection if oleo does not like its white dress and wishes to put on a pink or even red garment, but we must not permit a deception and fraud that

will in the end be paid for in dollars and cents many times over by the consumer of dairy products such as butter, veal, beef, yes, and even pork and poultry and eggs because skim milk is used in producing these products.

Mr. COOLEY. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, there are two things that I would like to call to the attention of the Committee. The first is that the Poage substitute which has been introduced contains an additional provision which does not appear in the original Poage bill. This provision reads:

This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

I think that language is perfectly clear and there can be no question about the fact that the Poage bill will not in any way affect laws enacted in the several States.

Much has been said during this debate about the precarious condition that the dairy industry is in. On yesterday the gentleman from Iowa [Mr. HOEVEN] made this statement on the floor of the House:

I am very much concerned about the present decline in our cow population. It has declined 2,731,000 head since 1945, only a period of 4 years.

Now I call your attention to the fact that the decline occurred during the time that the oleo tax was in effect, so certainly nothing pertaining to oleo had anything on earth to do with the present situation in which the dairy industry finds itself today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman saw the chart that I showed here earlier in the day which shows that as the oleo consumption went up, the butter consumption went down, and when butter consumption went down it necessitated the selling off of a large number of milk cows. Therefore, the dairy farmers have been injured.

Mr. COOLEY. I do not agree with the gentleman's conclusion. I think every man and woman in this House knows what happened to the dairy herds, and I think the dairymen in this House know that the dairymen sold off their herds and culled out their herds at a time when they could sell them at a high profit, when beefsteak was selling at an all-time high.

One other thing. The gentleman said a moment ago that we should not act hastily about this. The fact is this controversy has been going on since 1886, when Grover Cleveland signed the tax bill which from that day has been considered as punitive and discriminatory, and in signing the tax bill Grover Cleveland said this:

If the existence of the commodity taxed, and the profits of its manufacture and sale, depend upon disposing of it to the people for something else which it deceitfully imitates, the entire enterprise is a fraud and not an industry; and if it cannot endure the exhibition of its real character which will be effected by the inspection, supervision, and stamping which this bill directs,

the sooner it is destroyed the better, in the interest of fair dealing.

For 63 years oleo has endured the cruel exhibition of its real character, and I submit that it is no longer considered a fraud but rather a legitimate industry.

With regard to these Members who ran for Congress on the Democratic platform, I merely want to say again that to stand here in the well of the House and say, "I will vote for the Granger bill because it repeals the tax and redeems the promise of my party's platform," is not quite enough, because in voting for the Granger bill you know you are doing something more than merely repealing the tax, you are outlawing the object upon which the tax has heretofore been levied. I say again, that is a feeble effort to redeem a platform pledge. Vote that way and go back and meet your people and say, "Yes, I repealed the tax, but I fooled you, I outlawed the thing the tax was levied on."

Let me show you how ridiculous this Granger bill is: It is a mongrel and a monstrosity. Its original authors have abandoned their original purpose. Now the bill comes before us and it provides in effect that if a baker down in Richmond, Va., bakes a loaf of bread and uses yellow oleo, and then delivers that bread to the Pullman Co. at the railroad station, everybody connected with that transaction is violating the criminal law of this great Republic.

Mr. Chairman, this language is found in section 2 of the Granger bill:

The manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce, or in connection with the production of goods for commerce, or which affects, obstructs, or burdens commerce, or the free flow of goods in commerce is hereby declared unlawful.

So if yellow oleomargarine is used in the manufacture of bread, cakes, puddings, or pies, and such foods go into commerce, and they certainly would go into commerce if they were delivered by a baker to the steward on a pullman car moving in interstate commerce, then all connected with that transaction would become criminals and subject to the pains and penalties of the law.

Mr. Chairman, I call attention to a letter dated February 28, 1949, which I received from Mr. J. Donald Kingsley, acting administrator, Federal Security Agency, in which H. R. 3, H. R. 2023, and H. R. 1703 are discussed:

FEDERAL SECURITY AGENCY,

Washington, February 28, 1949.

HON. HAROLD D. COOLEY,

Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 5, 1949, addressed to the Commissioner of Foods and Drugs, for a report on H. R. 3, a bill to repeal the tax on oleomargarine, to amend the Federal Food, Drug, and Cosmetic Act so as to complete the requirements for the positive identification of yellow oleomargarine, and for other purposes, and H. R. 1703 and 2023, identical bills, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Both proposals would repeal the tax on oleomargarine. H. R. 3 would also amend the Federal Food, Drug, and Cosmetic Act to

provide control of colored oleomargarine whether it originates from an interstate source or from the State in which it is sold, and sets up special provisions regulating its possession in public eating places and its serving in such places. H. R. 1703 and 2023 would prohibit traffic in yellow oleomargarine in both interstate and intrastate commerce and would forbid its use or serving except in private homes; violations would be subject to the sanctions contained in the Federal Food, Drug, and Cosmetic Act.

Because of its similarity to butter, colored oleomargarine can be easily substituted for butter. Considerable incentive for such substitution is afforded by the usual price differential. However, "colored oleomargarine has become established as a legitimate food when it is served for what it is." It is apparent that if the tax laws are repealed some effective regulatory mechanism should be set up, whether traffic in colored oleomargarine is regulated or prohibited. If a Federal mechanism is set up, the Food and Drug Administration of this Agency is the organization best equipped, through facilities and experience, to undertake the job.

OPA records indicate that when sugar rationing was discontinued there were about 525,000 public eating places in the country. The effective policing of all these places obviously presents a formidable task.

There would not appear to be much difference between the cost of enforcement of the proposed measures. Under H. R. 1703 and 2023, uncolored oleomargarine would be available for purchase and use in private homes. From supplies available for such use, it might be purchased and colored by public eating places.

It is estimated that if one inspection is made each year of each of the public eating places, an annual appropriation of approximately \$5,000,000 will be needed (the first year's cost would be about \$1,000,000 greater because of the purchase of necessary equipment). The total personnel needed would be approximately 950.

If it is decided that one inspection of each eating place every 2 years or every 3 years would be adequate, or that it would be desirable to inspect each establishment two or three times a year, the cost would be approximately proportional to the above estimate.

It should be noted in considering the appropriation for enforcement of the amendment that the budget now before the Congress calls for an appropriation to the Food and Drug Administration of \$4,985,000 for law enforcement and provides for a total personnel of 984. This appropriation covers all foods (except that a separate appropriation is made for enforcement of the Meat Inspection Act by the Department of Agriculture), all drugs/all therapeutic devices, and all cosmetics, and will enable attention to 10 to 15 percent of the establishments involved in these industries. Many of these regulatory problems are highly important to the public health. In fact, the great bulk of the appropriation is expended on dangerously potent drugs and on foods which are contaminated by poisonous substances or with filth. The substitution of oleomargarine for butter has no demonstrable public-health aspect, although it is a serious economic cheat.

A few comments seem in order on the text of the bills. In H. R. 3, page 2, lines 2 and 16, the words "possession or" should be inserted before "serving" to accord with the text on page 3, lines 3 and 12. In H. R. 3, page 3, line 3, the following language occurs: "No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place."

The first underscored phrase would raise doubt as to whether the particular forms in which colored oleomargarine is found in an eating place are forms ready for serving. We know of no reason why a public eating place should possess colored oleomargarine except for serving. If it is used for general cooking purposes, the uncolored product would satisfy all needs. The second underscored phrase would raise the question as to whether the clientele of the particular eating place would have to be thoroughly investigated in order to determine whether the ordinary individual in that clientele would be likely to read and understand the displayed notice. We suggest the deletion of both the underscored phrases.

At line 14, on the same page, occurs the phrase "unless each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine." The term "labeling" is defined by section 201 (m) of the Federal Food, Drug, and Cosmetic Act to mean "all labels and other written, printed, or graphic matter (1) upon any article * * * or (2) accompanying such article." Court decisions have held that the word "accompanying" is to be given a broad interpretation and includes related written, printed, and graphic matter not attached to or immediately adjacent to the article (see *Kordel v. U. S.*, 69 Sup. Ct. 106 (1948)). We believe the meaning of the quoted phrase could be clarified by changing it to read: "Unless labeling of each separate serving identifies it as oleomargarine or margarine." It will be noted that section 403 (f) of the Food, Drug, and Cosmetic Act defines a food as misbranded "If any word, statement, or other information required by, or under authority of this act to appear on the * * * labeling is not prominently placed thereon with such conspicuousness * * * as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use." This would require, we believe, that each individual serving be associated with a written, printed, or graphic statement so presented that the consumer would be likely to read it.

H. R. 1703, page 4, line 24, provides that "Any person, firm, or corporation violating any of the provisions of this act * * * and any officer, agent, or employee thereof who directs or knowingly permits such violations, or who aids or assists therein, shall upon conviction be subject to punishment. We question whether the underscored language is necessary in view of the provisions of section 2 of title 18 of the Criminal Code (also see *U. S. v. Joseph H. Dotterweich*, 320 U. S. 277, 64 Sup. Ct. 134 (1943)).

Time has not permitted us to obtain advice from the Bureau of the Budget as to the relationship of these bills to the program of the President.

Sincerely yours,

J. DONALD KINGSLEY,
Acting Administrator.

I call attention to another letter dated March 18, 1949, written to me by Dr. P. B. Dunbar, Commissioner of Food and Drugs:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., March 18, 1949.

DEAR MR. CHAIRMAN: This is in response to your telephonic request for our views on the obligation that the enactment of H. R. 2023 will place upon the Food and Drug Administration, the cost of enforcement of the bill, and the relationship of this legislation to the President's program.

It is our view that the bill would require surveillance over oleomargarine traffic in both interstate and intrastate commerce and the institution of legal action against traffic in yellow oleomargarine from interstate sources, including its service in restaurants, and against yellow oleomargarine from intrastate sources where the facts reveal that

the intrastate traffic "affects, obstructs, or burdens commerce or the free flow" of butter from interstate sources.

These conclusions are reached from the definition of commerce in section 2 (c) as including not only interstate traffic but the "possession, transportation, serving, or sale * * * of articles within a State after shipment in interstate or foreign commerce," and from prohibited acts in section 3 of manufacturing, transporting, handling, sale, use, or serving of yellow oleomargarine not only in commerce as defined in section 2 (c) but also where any such act in intrastate commerce "affects, obstructs, or burdens commerce or the free flow of goods in commerce." The use of the word "serving" in both the definition of commerce and in that of prohibited acts clearly indicates that enforcement operations are expected in restaurants and other eating places.

We have been told that the proviso of section 2 (c) that "oleomargarine or yellow oleomargarine within the orders of a State shall be subject to the laws and regulations of such State or Territory" would exclude the operation of this bill in States and Territories which permit the sale of yellow oleomargarine. We do not believe this language is likely to be so construed. A more normal interpretation is that this bill is not intended to oust the States from jurisdiction to exercise concurrent control that harmonizes with the Federal policy. It would be most unfortunate if the bill should be taken to oust all Federal controls, including the protection afforded by the Federal Food, Drug, and Cosmetic Act, once the oleomargarine arrived in the State of sale.

In the letter of the Acting Federal Administrator, addressed to you under date of February 28, it was estimated that the cost of the enforcement of H. R. 3 or 2023, including one inspection each year of each public eating place, would require an annual appropriation of approximately \$5,000,000, although the first year's cost would be about \$6,000,000 because of the purchase of necessary equipment. This would provide a total personnel of approximately 950. It was stated that if the Congress decided that one inspection of each eating place every 2 years or every 3 years would be adequate, or that it would be desirable to inspect each establishment two or three times a year, the cost would be approximately proportional to the above estimate.

It was further pointed out that the appropriation to the Food and Drug Administration in the budget then being considered by the House was \$4,985,000 and was intended to cover all foods except meat and meat-food products, all drugs, all therapeutic devices, and all cosmetics, and would enable attention to 10 to 15 percent of the establishments involved in these industries. Many of these regulatory problems are highly important to the public health.

In the letter of March 10, 1949, addressed to the Federal Security Administrator by the Bureau of the Budget, the following statement occurs:

"The enactment of section 3 of H. R. 1703 (or of the identical bill, H. R. 2023) prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine except the use of yellow oleomargarine in private homes would virtually nullify the effect of repealing the tax on oleomargarine. Consequently, these prohibitions are not in accord with the program of the President."

I understand that a copy of this letter is being referred to you by the Administrator.

If I can be of any further service, please do not hesitate to let me know.

Sincerely yours,

P. B. DUNBAR,
Commissioner of Food and Drugs.

On March 23, 1949, I received another letter from Mr. J. Donald Kingsley, en-

closing a letter dated March 10, 1949, addressed to Hon. Oscar R. Ewing, Administrator, Federal Security Agency, and signed by Mr. Roger W. Jones, Assistant Director, Legislative Reference of the Bureau of the Budget:

FEDERAL SECURITY AGENCY,
March 23, 1949.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: This Agency's letter to you of February 28, 1949, reporting on H. R. 3, 1703, and 2023, stated that time had not permitted us to obtain advice from the Bureau of the Budget as to the relationship of these bills to the program of the President.

We now have a letter from the Bureau of the Budget stating that the provisions of section 3 of H. R. 3 and section 3 of H. R. 1703 (H. R. 2023) are not in accord with the program of the President. A copy of the letter is enclosed.

Sincerely yours,

J. DONALD KINGSLEY,
Acting Administrator.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 10, 1949.

Hon. OSCAR R. EWING,
Administrator, Federal Security Agency,
Washington, D. C.

MY DEAR MR. EWING: This will acknowledge your letter of February 18, 1949, transmitting copies of the report which the Agency proposes to present to the chairman of the House Committee on Agriculture upon H. R. 1703 and H. R. 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and upon H. R. 3, to repeal the tax on oleomargarine, to amend the Federal Food, Drug, and Cosmetic Act so as to complete the requirements for the positive identification of yellow oleomargarine, and for other purposes.

You are advised that the accomplishment of the repeal of the taxes imposed upon oleomargarine would be in accord with the program of the President.

The enactment of the provisions of section 3 of H. R. 3, dealing with the sale or use of colored oleomargarine and proposing to amend the Federal Food, Drug, and Cosmetic Act, as amended, would not, in view of the potential costs of enforcement which would be involved in the event of their adoption, the adequacy of the present provisions of the Federal Food, Drug, and Cosmetic Act, as a means of regulating and controlling the shipment in commerce of oleomargarine, and the special and discriminatory treatment which these provisions would impose upon this article of food, be regarded as in accord with the program of the President.

The enactment of section 3 of H. R. 1703 (or of the identical bill H. R. 2023) prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine except the use of yellow oleomargarine in private homes would virtually nullify the effect of repealing the tax on oleomargarine. Consequently, these prohibitions are not in accord with the program of the President.

Very truly yours,

ROGER W. JONES,
Assistant Director,
Legislative Reference.

On March 24, 1949, Dr. Dunbar, Commissioner of Food and Drugs, wrote the following letter to the gentleman from

Utah, Hon. WALTER K. GRANGER, the author of H. R. 2023:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., March 24, 1949.

Hon. WALTER K. GRANGER,
House of Representatives,
Washington, D. C.

DEAR MR. GRANGER: Mr. Parker has asked that we advise you of the probable cost of enforcement of H. R. 2023 if the scope of enforcement is consistent with the intent expressed in Report No. 277.

My letter of March 18 to Chairman COOLEY gave our understanding of the obligation which H. R. 2023 would place on the Food and Drug Administration. From Report No. 277 it appears that it was the committee's intention "to limit the regulation authorized under this act to yellow margarine in interstate commerce." Frankly it does not seem to us that the text of the bill effects such a limitation. I confess that because of this apparent difference between the language of the bill and of Report No. 277 we are somewhat confused as to just what our obligations will be. It seems clear, however, that additional administrative and inspectional burdens will be placed on the Food and Drug Administration.

Report No. 277 indicates that enforcement operations under this bill will not be expected in those States which legalize the sale of yellow oleomargarine despite the provision in section 2 prohibiting not only interstate traffic in yellow oleomargarine but also any traffic which "affects, obstructs, or burdens commerce or the free flow of goods in commerce."

However, while the report is not specific on this point, we assume that enforcement operations under the bill, including measures to prohibit the serving of yellow oleomargarine in public eating places, would be expected in those States which do not permit the sale of yellow oleomargarine.

We understand that 20 States, including the 5 most populous, do not legalize the sale of yellow oleomargarine, and that these 20 States contain something more than half the total population of the country. Upon this basis the cost of enforcement at the retail level would be approximately half that which we estimated in our letter of March 18 to Chairman COOLEY.

We have no way of estimating the increase in manufacturing plants, especially coloring plants, that would be established upon the passage of this bill. It is quite probable, however, that there will be a very substantial number of new manufacturers. If one inspection each year is expected in eating establishments in States not permitting yellow oleomargarine and coverage under the Federal Food, Drug, and Cosmetic Act is given the new plants, we estimate that approximately \$3,000,000 would be required.

I trust this furnishes the information you desire.

Sincerely yours,

P. B. DUNBAR,
Commissioner of Food and Drugs.

Mr. Chairman, I realize, of course, that the dairy industry constitutes a very important segment of the agricultural economy of our country. It is in fact vital and essential to the health and well-being of America. No other industry can or will take its place. If I thought for one moment that the enactment of the Poage bill or a repeal of the tax now im-

posed on oleomargarine would destroy or unduly burden the dairy industry of this country, I would vote against the Poage bill or any other bill which would bring about such distressing results. I am just as interested in the welfare of the dairy farmers of this Nation as I am in the welfare of the producers of any other agricultural commodity. I do, however, believe that the present tax is unjustified. Apparently everyone now agrees that the tax should be repealed and everything indicates that the tax will be repealed at the present session of Congress. Because of the anxiety of those engaged in the dairy industry, I am anxious to provide every practical safeguard against every possible fraud in the sale of oleomargarine. I do not want frauds perpetrated upon the consumers of this country. I do not want the dairy industry subject to unfair, unreasonable, or unlawful competition. I shall, therefore, vote for the Poage bill, because I honestly and sincerely believe that it affords every conceivable protection for the public and for the dairy industry. It will be expensive to administer to be sure, but the expense involved may be thoroughly justified if the apprehensions of the dairy industry are warranted and well-founded, and I am perfectly willing to provide for the appropriation of a sufficient amount of money to enforce the provisions of the Poage bill. By the passage of the Poage bill, the public will have the protection of the Food and Drug Administration. On the other hand if the Granger bill is enacted, and its provisions are applicable only to interstate commerce, the Food and Drug Administration will not be in a position to protect the public from fraud nor even to keep oleo pure. I believe that the dairy industry should approve the provisions of the Poage bill and be delighted with the protection that it provides.

I am unwilling to outlaw yellow oleomargarine which has been sold and consumed for so many years and which is healthful and wholesome, and therefore deprive the people of America of the privilege of buying a food commodity which they very much desire. I am unwilling to make it a crime punishable by fine and imprisonment to transport yellow oleomargarine across State lines. To do so would be an abuse by Congress of the interstate-commerce clause of the Constitution.

I hope, Mr. Chairman, that this issue, yes, this ancient controversy will be satisfactorily settled at the present session, and I hope that the Poage bill may finally be enacted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. O'HARA of Minnesota. Reserving the right to object, Mr. Chairman—

Mr. MURRAY of Wisconsin. No; let him have it.

Mr. COOLEY. In view of the fact, Mr. Chairman, that there seems to be some objection, I withdraw my request, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. COOLEY. I object, Mr. Chairman.

Mr. MURRAY of Wisconsin. Mr. Chairman, I did not object when the distinguished gentleman from North Carolina asked for additional time. I regret very much that he does not want me to have a few minutes. I do not think he realizes that I come from a State that produces over one-eighth of the milk in the United States, a State that went out during the war and added 3,000,000,000 pounds to its production, which is more than many States produce—to what it produced before the war.

If I came from a State such as my distinguished colleague from North Carolina or some of my other southern friends come from, where we have the Smoot-Hawley Tariff Act still in effect on our tobacco, or had it frozen in the rates as you do on rice, or had the Smoot-Hawley rate on peanuts, and not only were not satisfied with that but turned around and placed an embargo on cotton coming into this country, I probably would not be so disturbed.

The fact that we have lost between two and three million dairy cows the last 3 or 4 years is just one of the things that are taking place in the dairy world. This Administration has ruined the fur industry in this country, and the largest part of that is in the State of Wisconsin. They have gone to work and practically ruined the sheep industry in this country. Now they want to go ahead and ruin the rest of the livestock industry. So I say to my good friends on the right, everybody in this country knows that you have the votes here.

Last year I got myself rather disturbed. I did not want my party to do these unkind things to the dairy industry. I am not taking credit for it by any means, but I will just say to every man here that I did everything I could do to keep them from erring in their ways. So if you Democrats today want the responsibility of killing off the dairy industry in this country it is your responsibility and the baby is on your doorstep. You probably do not know what has happened in the dairy business. I think you would like to know what has happened to the dairy industry since election day. Surely you would like to know. I know what promises were made—I do not know whether there was a mandate or not. I did not ever intend to discuss

this phase of it. Last year milk averaged \$4.84 throughout the whole United States. Do you know there are many places in the country today where milk is only bringing \$2.40? I should think you have done enough to the dairy industry, without coming here now to give it the final death blow and put it out of business. That is just exactly what you are going to do today. I regret very much that my committee would bring out such a bill. The gentleman from Texas [Mr. POAGE] has another bill now where he wants to furnish telephones to people. He is going to be the great savior in connection with the telephone business. I say to the gentleman from Texas [Mr. POAGE] here now that if you pass this bill you are going to take more telephones out of farm homes in the country than your telephone bill will ever put in farm homes in the next 25 years. This is a serious matter. The dairy people have been very generous in supporting the Andresen-Granger bill. They have bent over backward in order to do it. We are going to run out of money here some of these days. We cannot always keep King Cotton in the style in which he has become accustomed to being kept. There are between four and five million dollars to support agricultural products. Billions of dollars are being dissipated. I am willing to have it in bold type in the Record at this time that you will remember what I am saying to you here today.

Talk about propaganda—talk about the butter lobby.

I will yield to the gentleman from Kansas [Mr. HOPE] at this time, because I think he has something to tell us on this lobby business.

Mr. HOPE. I hold in my hand a telegram, addressed to the editor of the Concordia Kansan, a daily paper in Concordia, Kans. This telegram was dated March 24, at a time when the State legislature in Kansas had before it a bill to prohibit the manufacture and sale of colored oleo. The telegram reads as follows:

KANSAN,

Concordia, Kans.

(Attention, Editor.)

Communicating with you on behalf of our client who would be seriously affected if House bill 423, now in your State senate, would be passed. This bill would prohibit in Kansas the manufacture and sale of yellow margarine, which is now permitted in approximately 30 States. Passage of this bill would definitely be step backward when whole tendency throughout country is to remove discriminatory taxes and restrictions upon margarine, a most wholesome and needed food. Would appreciate your editorializing and doing what you can to prevent enactment of this most unjust legislation. Action on bill in senate will probably come up soon, so that anything you may do needs prompt attention. Such efforts on your part would be in best interests of the people of your State. Thanks.

CLARENCE B. GOSHORN,

President, Benton & Bowles, Inc.

Now, this telegram is not signed by a manufacturer of oleo, or by a producer of vegetable oils, or anyone who might have a direct interest in the matter. It is signed by Clarence B. Goshorn, president of Benton & Bowles, Inc., one of the great advertising agencies in the country.

Mr. MURRAY of Wisconsin. With Chester Bowles, Lever Bros., and Sidney Luckman in the picture, and millions of dollars, who can be too surprised as to what will happen?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOLEY. Mr. Chairman, I move that all debate on the substitute and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is that the substitute proposed for the amendment offered by the gentleman from Texas [Mr. POAGE]? Is the gentleman's motion limited to the Rivers amendment?

Mr. COOLEY. The Poage bill was offered as a substitute, and the Rivers bill was offered as an amendment to the substitute.

The CHAIRMAN. Is the gentleman's motion limited to the Rivers bill?

Mr. COOLEY. To the Poage bill and the Rivers bill and all amendments thereto.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I understand the gentleman from North Carolina [Mr. COOLEY] is now proposing to cut off all debate on the Rivers substitute and the original Poage amendment, in 30 minutes?

Mr. COOLEY. That is exactly right.

The CHAIRMAN. And all amendments thereto. That is the motion, as the Chair understands it.

The question is on the motion of the gentleman from North Carolina [Mr. COOLEY] that all debate on the amendment offered by the gentleman from Texas [Mr. POAGE] and the substitute for that amendment offered by the gentleman from South Carolina [Mr. RIVERS] and all amendments thereto be limited to 30 minutes.

The question was taken; and the Chair being in doubt the Committee divided, and there were—ayes 135, noes 78.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. COOLEY and Mr. AUGUST H. ANDRESEN to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 78.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

(Mr. O'HARA of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Minnesota. Mr. Chairman, I have been trying to get recognition since yesterday in order to speak upon the pending bill. I am proud to represent one of the heavy dairy districts in this country. There is no finer group of people, there is no group of people who work harder 365 days of the year than do the dairymen of this country, and I make that statement to apply to other dairy districts in the United States besides Minnesota.

Mr. Chairman, if it is desired to kill off the dairy industry, there are two ways to do it. You can do it by adopting the Rivers amendment. That is the electric-

chair method. That will be quick and short. The Poage amendment is the lethal-gas-chamber method. They will let in a little deadly gas at a time until finally the dairy industry is dead. Now, there is no question about that.

On the other hand, if you want to do decently by the great dairy farmers in this country and the great dairy industry, vote for the Granger bill. Now, do not misunderstand me. As a Member of Congress I have supported the cotton people of the South, I have supported the tobacco people of Kentucky and the South. As the gentleman from Georgia so well said, it is tragic that the great agricultural groups are fighting among themselves. It is tragic that this is happening because you are going to need one another at some time or other in the near future. It is tragic also what these amendments will do to the great dairy industry and to the economy of the country and to the health of the people of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I am sorry that this legislation is being considered as a party issue, for surely, politics has no part in this discussion at the present time. I do not think there is any one in this Chamber today who believes that a dairy lobby does not in fact exist. At this time the legislation is being clouded by representations made by the butter lobby.

I feel sorry for the dairy farmers of this country, and I have the greatest sympathy for them. In my opinion, they have been misled in this fight. In my State and in every other State and in every large city of the Nation we have seen the existence of a monopoly which has taken advantage of the dairy farmer and has fixed a price on his product which has robbed the dairy farmers. Today this lobby is trying to use sympathy for the dairy farmer to continue this unfair discrimination which has existed for years. I say that the dairy interests have robbed the people of this country by continually diluting and robbing the whole milk of its butterfat content. I say that these people who talk about the shortage of milk for our children have failed to realize that those very interests are the ones who have taken the food value from your milk and in their greedy and ambitious effort they have robbed the very children they are endeavoring to speak for today.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

OLEO VERSUS BUTTER

Mr. MILLER of Nebraska. Mr. Chairman, when I read in the morning papers the headline "Oleo wins," I was glad I was one who voted against the rule which puts this bill before us.

I believe the dairy industry has gone rather far, and have been leaning backward, and made some concessions which they may regret. I say that because of the teller vote that has just been re-

corded. If the dairy interests could have seen who went through the line they would know that 90 percent were from the Democratic side who are going to favor oleo against butter. That vote was convincing. They are the ones that are about to put a dagger into the heart of the dairy industry.

My colleagues, there are 2,500,000 dairy farmers and they give employment to nearly 10,000,000 people. There are 28 great concerns interested in the manufacture of oleo. Now you folks who profess to represent the little fellow ought to hesitate when you line up the 28 manufacturers of oleo against 10,000,000 people engaged in the dairy industry. You demonstrated the action you will take on the final passage of this bill. You will be in Mr. Oleo's corner. It is my judgment that if taxes are taken off as you propose and place the product on the same basis as butter, it will about destroy our great basic dairy industry.

The American dairy farmer sold about \$4,000,000,000 worth of dairy products in 1947. As the use of butter declines, the use of oleo goes up. The record shows that in 1938 the per capita use of butter was 16.4 pounds, and that of oleo was 2.9 pounds. In 1943, butter 11.7 pounds, oleo 3.9 pounds. In 1948, butter 10.2 pounds and oleo 6.1 pounds.

Dairy farms promote soil fertility, soil conservation and the restoration of our wornout soil. This is basic if we expect to continue full production from our soil. All of the products going into the manufacture of oleo are soil depleting crops.

Your action on the recent teller vote indicates that 90 percent going through the tellers who were Democrats are not interested in the welfare of the 2.5 million dairy farmers. You are not interested in the fact that three out of every four farmers in the United States are in the dairy business either on a large or small scale. By their action they indicate they are for the oleo people who will make a bigger profit off of housewives of America.

In my judgment the South and you Democrats who are supporting the removal of the taxes on oleo and permitting it to be sold yellow, could best serve your own interests if you would work more on promoting the dairy industry. The South needs the dairy industry. They need to rebuild their soil.

We ought to protect the American people from fraud. The bill provides that where there is no tax, no color. If there is no color, then fraud is eliminated.

I know from personal experience that the farm industry breeds good citizenship. I can recall, as a boy, the good training I received being up early in the morning to milk the cows. It was a 365-day job each year. The cows were our bread and butter then. They are still the livelihood on many farms.

This Congress should not undermine the great dairy industry by permitting free competition, with a fraudulent product, to compete with the milk and other products on the farm.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, after waiting here a day and a half it appears

I am entitled to a minute and a half to discuss an issue that is vital to the great State of Iowa where we rank No. 1 in the production of dairy products. Down through the war years, with 10 percent of the population in the armed services, Iowa produced 10 percent of the food of the United States. It would be trite to call attention to the fact that food was as important to the war effort as weapons. The Poage amendment, whatever else may be said about it, in the last analysis comes down to this point: The Poage bill is an effort to legalize the sale of colored oleomargarine as a butter substitute; in other words, to sell colored oleomargarine, however wholesome and pure and rich in vitamins it may or may not be, to the people disguised as butter. In other words, people appear to want oleomargarine when it has the appearance of butter, but do not want it in its natural color. Oleomargarine finally is nothing more or less than a butter substitute. It should be sold legally, but should not have the appearance of butter so that people are deceived in eating the substitute and think they are eating a pure product of the dairy farms. The dairy industry is vital to this country, and the dairymen are not asking very much. The dairy people have consented to the removal of all taxes, and all they ask is to be protected from a butter substitute that has the appearance of butter and is disguised as butter, but is not actually butter.

The dairymen whom I know do not favor the Poage bill and make no mistake about this: the farmer is no fool. He knows his business and knows what he wants.

The Iowa legislature has consistently maintained its position against the sale of colored oleomargarine in the State of Iowa. This position has been maintained through the years and was recently reaffirmed by the present fifty-third general assembly now in session.

I regret that I have so little time to discuss so important an issue.

(Mr. LECOMPTE asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, in my district in Iowa I have thousands of members of organized labor and I have many thousands of farmers. There is no demand in my district on the part of organized labor for this kind of legislation. Labor would like to see taxes on oleomargarine repealed, but not at the expense of destroying the farmer market for dairy products, and that is what the Poage and Rivers amendments will eventually do, make no mistake about that.

The Granger bill, which we will vote upon if the Poage and Rivers amendments are defeated, provides for repeal of Federal license fees and taxes but retains at least some of the protection which dairy farmers sorely need. There is every demand on the part of the farmers of my district for the protection of the butter industry, and by that I mean to say for retention of the color yellow, exclusive to butter in retail sale.

Mr. Chairman, I hope these two amendments, the Poage and Rivers amendments, are defeated, and that the Granger bill will be passed.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I opposed the granting of a rule on the Granger bill for one reason. I am convinced that it is the intention of this administration and the present majority in this Congress to permit the Granger bill to reach the floor and then to amend it with either the Rivers or Poage bills which will completely remove the last remaining protection the dairy industry has against this vicious imitator—oleomargarine.

I sincerely hope that my fears prove groundless, and that the Democratic majority will not permit such thoughtless action to jeopardize the basic welfare of our most important soil conserving agricultural industry—dairying. We are faced with the cold facts, however, that not one voice in the administration has been raised on behalf of the dairy farmer in this fight for his very life, and that the Democrats are in complete control of the Congress.

For obvious reasons, I will oppose the Rivers amendment, removing all restrictions on the sale of oleomargarine, and the Poage amendment offering protection against fraud on paper only. The adoption of either of these amendments will be disastrous to the dairying industry. I will support the Granger bill, and vote for it if it is not weakened by crippling amendments, as a fair compromise on the part of the dairying industry to the problem before us.

I would like to discuss the various aspects of that problem at this time. First, let us consider the nature of the two products involved—butter and oleomargarine.

Butter is a natural product; it has been made for hundreds of years. It is made by churning the cream that has been separated from milk. Thus, its basic ingredient is milk, which is produced by the dairy cow. Its traditional color is yellow—various shades of yellow to be sure, but a yellow that is derived from the natural color of the butterfat—which constitutes 80 percent of a given amount of butter. The rest is composed of other natural products of the cow; skim milk, which breaks down into water and curd, plus about 2 percent salt.

Oleomargarine, on the other hand, is a synthetic product, that is, it is a frank imitation of natural butter. Its formula was imported from France in the 1870's and was based upon a simple trick. That trick was the substitution of a different kind of fat for the natural animal, or butterfat, produced by the dairy cow. That trick was important, because there are many kinds of fats that can be produced much cheaper than the butterfat produced naturally in the dairy cow. In order to produce butterfat, the cow must be raised, tended carefully, and fed high-price feed. The substitute fats, however, derived mostly from seeds, coconuts, and so forth, could be produced much cheaper, and of course, still can.

So the trick in producing oleomargarine is actually a simple one—substitute for the butterfat that the cow has laboriously and expensively produced, the vegetable fats which are cheap and fairly plentiful.

There is one important factor, though, that the oleomargarine manufacturers could not imitate and still get a product that resembled butter. That was skim milk. So remember this one important fact in discussions concerning oleomargarine and butter. Oleomargarine cannot be made without the dairy cow. It has to contain its 15 to 17 percent of skim milk.

Thus, using a base of skim milk, oleomargarine manufacturers have been able to produce a product that resembles butter very closely, except that it does not have butter's natural yellow color—a color which through the years has become closely associated with this dairy product.

Now, that, simply, is the issue at stake on the floor of the House today. Shall the oleomargarine manufacturer be permitted to manufacture and sell a product which will almost exactly resemble in appearance the butter which it frankly imitates?

Now, it is true that yellow coloring is sometimes used in butter. It is used to give a uniformity of color throughout different seasons of the year when the degree of yellow in butter changes with the food being eaten by the cow. But there is no butter produced that is not yellow, there is only a difference in the amount of yellow in it from time to time. The coloring that is added to butter is added only for uniformity's sake, and most important, it is not added to give butter the appearance of something else.

Oleomargarine's natural color, however, ranges from a yellowish green to dark brown. Some people say that soybean oil and cottonseed oil, two of the principal ingredients of oleomargarine, are naturally golden yellow in color and that they actually have to be bleached in order to avoid the tax. A chemist for an oleomargarine manufacturer demonstrated last year, however, that these oils have to be transformed into a paste before they can be used in oleo. With actual samples, he then showed the true color of the paste derived from the different oils. Cottonseed turned into a white, while soybean oil turned into a pale green. So the only way you can make oleomargarine yellow is by coloring it. Natural oleo ends up in some shade other than yellow.

Therefore, the only reason that can possibly be advanced for allowing manufacturers to color oleo yellow, and I think everyone is in agreement on this, is that the product then more closely resembles the product it tries to imitate, natural butter.

The dairy farmer claims, and I agree with him, that the American consumer is entitled to protection against deception and fraud in the nature of substitutes. The dairy farmer knows that what causes injury to the consuming public also causes injury to the dairy farmer. As one of them has testified, "Lack of confidence on the part of the consumer in what is being bought throws

a national doubt upon every pound of butter that is offered for sale in the stores and upon every pat of butter that is being served in hotels, restaurants, and boarding houses."

The dairy farmer knows that if all restrictions upon the sale of colored oleo are removed, there will be widespread deception in the sale of oleomargarine represented as butter. He knows that the removal of these restrictions will cause a serious falling off in the sale of butter, because the imitation of his product, except for its indefinable qualities, will have become complete. That is why he opposes the attempt to aid oleo in its deception so vigorously.

Now, if the sale of butter should fall off considerably with the removal of these taxes, as has been claimed, what effect would this have upon the consuming public? That leads us to a short discussion of the economics of the dairy industry.

If butter production is reduced, it can only mean a decrease in total milk production. The reason for this is that butter is the great stabilizing product of all dairy products. Some 42 pounds out of every 100 pounds of milk produced in America is made into butter. Without the availability of this market—a market in which milk can be preserved for a period of time—the farmer would have only one choice—to reduce his production of milk. This means cutting his herds and slaughtering his dairy cows.

In the face of an increased demand for whole milk and milk products such as ice cream—products which mean so much to our children and to the health of our Nation—the reduction in the production of milk could mean only one thing: less milk, and higher prices for the milk that is produced.

So this factor must be weighed carefully in the balance of this argument. It should be considered very carefully by the housewife—who see only the apparent inequity of having to color her white margarine after she buys it. It should even be considered very carefully by the oleomargarine manufacturers, because with less milk, there will be less skim milk, and oleomargarine cannot possibly be made without this vital ingredient.

Those are some of the vital reasons why I am so strongly opposed to the Rivers and Poage amendments.

Supporters of those amendments are concerned with the free choice of the housewife. They fail to tell the housewife the true facts of the matter. They hold up the lure of oleo already colored in butter's golden hue.

Color adds nothing in the way of nutrition to the product; the only thing it adds is butter's universal trade-mark—a yellow hue. It is true that most everyone wants to serve oleo—after they buy it—in yellow form. It is true that adding yellow coloring to it by the old-fashioned way—in a mixing bowl—is a laborious process for the housewife. Modern packaging will eliminate this step eventually, but the housewife must weigh in the balance this inconvenience against the threat of greatly increased milk prices if the free sale of oleo is permitted.

This inconvenience must also be considered in the light of the irreparable harm that might be done to our great dairy industry if it should lose a great portion of its butter market through fraud and deception.

The dairy industry typifies the American system and is of vital concern to the economy of Wisconsin. Milk is produced on some 160,000 Wisconsin farms. The total value of the two and one-half million cows milked in Wisconsin amounts to about \$475,000,000. In the three principal butter-producing States—Wisconsin, Minnesota, and Iowa—where 41 percent of the butter originates, over 80 percent of the butter is produced in cooperative creameries controlled by dairy farmers living and working on dairy-sized farms. The farmer gets about 62 percent of the consumer's butter dollar.

Contrast this with oleomargarine, where about 26 corporations control the bulk of oleo manufacture, and where the farmer gets about only 30 percent of the consumer's oleo dollar.

In the interest of a stable dairy industry, and that is certainly of great concern to the Wisconsin people, in the interest of a sound agriculture, and in the interest of the consumers, it appears only logical that the simple protections embodied in the Granger bill should be enacted into law.

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

(Mr. CURTIS asked and was given permission to revise and extend his remarks.)

Mr. CURTIS. Mr. Chairman, certainly the agricultural interests of the United States ought to stand together. It is my opinion that the entire movement for this legislation will work to the detriment of all agriculture and all consumers. Therefore, on yesterday I voted against the rule. I realize that the Granger bill is the lesser evil, but I do not believe any of this legislation ought to pass. It is in the interest of the consumers of every State in the Union that the protection butter now has must be continued. It is in the interest of our soil-saving program and our program for building up the soil that the dairy industry be preserved and protected in every State in the Union. It is in the interest of good nutrition and the health and well-being of our people that the protection and safeguards now given to butter continue. This is something that pertains not to any one State but to all the States.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise to express my support of the Granger bill and to express opposition to the substitutes offered by the gentleman from Texas [Mr. POAGE] and the gentleman from South Carolina [Mr. RIVERS].

To my way of thinking, there is very little difference in the practical effect of

the Poage and Rivers substitutes. The Rivers proposal would wipe out all existing Federal taxes on yellow oleo. The Poage substitute has a similar provision, but in addition seeks to compel public places, which sell and serve oleo, to inform the public of that fact.

I have very serious doubts as to the legal validity of this second portion of the Poage substitute, and actually, I doubt if it makes too much difference whether it would be deemed valid or not. If it is so, I do not believe it can be enforced as a practical matter. If it is not so, then of course there can be no enforcement of it.

We have heard much here yesterday and today about the discrimination of the existing Federal taxes on yellow oleo, yet I venture to say that if these taxes are to be removed, without protection to the producers of butter or the consuming public, then the discrimination would be entirely in the other direction.

The crux of the whole problem is the desire of the producers of oleo to sell their product colored yellow. If that were not true, there would be no contest regarding the existing tax and there would be no contest over the portion of the Granger bill which prohibits the transportation of yellow-colored oleo in interstate commerce. I do not believe there is any desire here among any large number of Members to prevent the repeal of the licensing fees for the manufacture and sale of oleo colored other than yellow.

Will the repeal of these taxes make it possible to buy oleo any cheaper? Our experience is certainly to the contrary. The record has shown that where oleo has had a chance to do so the price has risen to nearly the price level of butter.

At the same time, anyone with an understanding of the over-all problem will realize that the substitution of oleo for butter will in the long run mean higher prices for meat and higher prices for milk. The trend of our cattle population is noticeably downward. Butter is the balance wheel of the dairy industry, just as the livestock industry is the balance wheel of American agriculture. More than one-fourth of the milk produced in this country is made into butter. In recent years we have seen a substantial substitution of oleo for butter in the American diet. This is an unhealthy and not a healthy trend. It has an unhealthy effect on the economy of our Nation and, I fear, upon the health of our people as well.

Destroy the livestock industry and you destroy the fertility of America's soil. Thus both directly and indirectly you are depriving America's people of the healthful product of America's dairy industry and of America's soil.

It has yet to be proven that oleo and other synthetic dairy products can match the real thing with respect to the availability and digestibility of certain elements of nutrition. Just within the last few weeks we have witnessed the consequences of attempting to substitute chemical compounds for nature's products. From this we ought to take warning against this move that might destroy America's greatest source of nutritious food.

(Mr. DAVIS of Wisconsin asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, repeal of the oleomargarine tax is a long overdue reform in the interests alike of agriculture and of city consumers. It is in the tradition of the American farmer that he does not fear competition, and I doubt that American farmers wish to throttle the competition of oleomargarine with butter. We certainly want to preserve our dairy industry, and if it needs help in the public interest as do other commodities which are in the parity-price program, I am sure we will be fully prepared to consider giving dairy farmers such help.

City consumers should not be denied, however, by an artificial tax, the cheaper food which is oleomargarine. To refuse to color oleomargarine also seems like an artificial measure, no more sensible than it would be to refuse to color cloth just because it can keep you warm uncolored.

I propose to support the substitutes to this bill which will enable oleomargarine, both colored and uncolored, to circulate freely in interstate commerce without discriminatory taxes. Certainly the regulations requiring identification of oleomargarine in one of these substitutes should be considered by the dairy producers as going a very long way to make this legislation agreeable to them.

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, to say that I am disillusioned today with the course this bill has taken is putting it mildly. To think that one of our large agricultural industries is being considered on a partisan basis. When I think of the great industry of dairying in California, and particularly in my district, it will be hard for me to report to my very great number of Democratic friends the attitude that is being taken here today to try to disfranchise their business.

I wish you could be out in my district and see the future farmers and the 4-H boys who are going into business, raising and developing their dairy stock. I know one young man whose father passed away. He was in a 4-H Club and had 2 cows and a little dairy route. He started to build that up, and before he had graduated from junior college that boy had a herd of 30 cows and was in a good business. That is what is happening and can happen in the dairy industry. You cannot go into the cotton business with that type of background. I trust and hope that you will have consideration for the dairy industry, which I contend is the greatest American agricultural industry.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, it has been said here that if my bill is passed

there will be no regulation of oleomargarine. I called the Deputy Commissioner of the Food and Drug Administration, Mr. Charles W. Crawford, and if anyone doubts the statement I am going to make he can call him on the telephone now.

Mr. Crawford, Deputy Commissioner, advises me that their legal staff has studied the provisions of H. R. 2023 with respect to its application to the enforcement of the Pure Food and Drug Act. He specifically states that it is their opinion that the language in my bill is sufficient to enforce the act in every State where oleomargarine is sold under the provisions of my bill. He further stated that the committee report was conclusive evidence of the committee's intention, namely: it was not the intention of the committee to modify or limit the Pure Food and Drug Act in any particular, and I further state here and now that it is our purpose to have the RECORD clear in this particular.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL. Mr. Chairman, a number of the members did not use the time allotted to them. I have an amendment to offer to the amendment offered by the gentleman from Texas [Mr. POAGE]. May I use their time?

The CHAIRMAN. The gentleman could use their time if he had asked permission to have their time transferred to him. That has not been done, and in the absence of such a request, the gentleman is recognized for 1½ minutes, and if he desires to offer his amendment, that may be done at this time.

Mr. HILL. Mr. Chairman, would it be in order to ask unanimous consent to use the remainder of the time allotted for this debate?

The CHAIRMAN. The time was allotted to individuals and those individuals have submitted no such request.

Mr. HILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL to the substitute bill offered by Mr. POAGE:

Page 3, line 5, insert after the word "unless" the figure 1 in parenthesis "(1)."

Page 3, line 16, strike out the period at the end of line 16 and insert the following: ", or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made therefor, unless each separate serving thereof is triangular in shape."

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield, if I have the time.

Mr. POAGE. As the author of the Poage substitute, I gladly accept the amendment offered by the gentleman from Colorado, as I want every possible safeguard against any kind of fraud, and I think the gentleman is making a reasonable proposition.

Mr. HILL. Mr. Chairman, before I sit down, I want to say that this just

adds another paragraph to the bill of the gentleman from Texas [Mr. POAGE], and simply says that if you want to sell oleo as oleo it will come out in a triangular form. I presented this amendment last year. But the State of Maryland, the other day, I am informed lacked a few votes of putting this sort of provision on the statute books. There is no reason, if you are going to sell oleo, and sell it at public eating places, why you should not be able to identify it by its form and shape, especially if you are going to give them the right to use the yellow color.

Butter is vital to the distribution of milk and dairy products. Since milk is produced on three out of every four farms in this country and supplies the largest single source of farm income, it is obvious that the dairy farmer is an important factor in national prosperity. The dairy industry itself is one and one-half times the size of our gigantic steel industry, and if the steel industry were threatened with a loss of one-fourth of its output, we would all be worried about business conditions. The dairy industry is larger even than our great automotive industry, and I need not tell you that a 25-percent drop in automobile sales would have repercussions on our economy.

The dairy industry favors the removal of all taxes and license fees on oleomargarine. That means that the housewife would be able to buy all the oleomargarine she wanted in its most economical uncolored form without the payment of any taxes whatever.

If the oleomargarine manufacturers are allowed the unrestricted right to sell their product colored yellow in imitation of butter, the cheaper, uncolored form will tend to disappear from the market. Yellow oleo will then be free to follow the price of butter. In States where it may now be sold, yellow oleo is bringing as much as 30 cents a pound more than the white kind, although the Federal tax is only 10 cents a pound.

The testimony before the House Committee on Agriculture established that yellow oleo might take over from 25 to 40 percent of the butter market if its unrestricted sale was permitted. This would eliminate many outlets for surplus milk and force dairy farmers in many States to go out of business entirely. In North Dakota, for instance, where there are very few big metropolitan markets for fluid milk, 92.5 percent of all the milk produced goes into butter. If that output was unable to find a butter market, it would depress the markets for every other kind of dairy product. Naturally, you cannot force farmers to remain in a business that does not make a living for them and their families. They would slaughter their cows, and our national sources of milk and meat would be reduced by just that much. Incidentally, our dairy cow numbers are already at the lowest point since 1940, and last year's decline was the sharpest in history.

There are only 28 oleomargarine manufacturers, with 65 percent of the business in the hands of five of the giant corporations. There are 2,500,000 dairy farmers producing milk in every State in the Union, with 250,000 dairy process-

ing and delivery workers and 40,000 local dairy plants who are dependent on the output of the dairy farmers for their livelihood.

The question is whether a synthetic, artificial product should be allowed to displace a genuine dairy product that is vital to the price and production structure of our farm economy. In other words, do we want to preserve a fundamental type of agriculture based on the dairy cow, soil conservation, and healthful nutrition; or do we want to let a few large manufacturers capture the spread market by fraud and deception? Do we want to continue the meat and milk products diet that has made our Nation the best fed on earth, or do we want a subsistence diet of soil-eroding crops?

I quote from one of the witnesses appearing before our committee:

I believe it is rather significant that of the 10 States where the rural level of living index is over 125 (United States average equals 100), seven derive the principal source of their farm income from dairying, and the five States with the highest rural level of living are dairy States. All of the principal dairy-producing States have a level of living index of well over 100. This level of living is measured by the degree of education, adequacy of housing, and the possession of such things as automobiles and radios.

It is estimated that there will be 15,000,000 more people in the United States in 1950 than there were in 1940. These people undoubtedly will be looking forward to obtaining adequate amounts of milk, particularly for their babies and old folks—butter, cheese, ice cream, and other essential dairy foods. Our cow population is slipping. Unless every encouragement is given to maintaining a profitable dairy industry, everybody will suffer.

A strong, efficient, and healthy dairy industry means a strong and virile America, economically and physically.

Dr. E. V. McCollum, world renowned nutritionist of Johns Hopkins University has said, and I quote:

Who are the peoples of the earth who have used the dairy cow as the foster mother of the race? They are the people of northern Europe and North America. They are the tallest of stature, the longest lived, have the lowest infant mortality, the greatest resistance to disease, and they are the only people on earth who have ever made any material progress in literature, science, and politics.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, there is a lot of solicitude in Congress. It is expressed in every debate and upon every other possible occasion. It is coming forth in volumes in the discussion of this measure. Last week, some were solicitous as to the welfare of the wealthier residents of the District of Columbia. To raise more revenues for District purposes, an income-tax bill was defeated. The big incomes were protected.

Within an hour thereafter, a sales tax was imposed on all the people, whether residents or transients. The cost of living was upped a bit for everybody, but particularly for those of smaller incomes who compose the larger portion of the

population. The sales tax applies to practically everything bought for household or personal purposes, except foods and the drugs prescribed by physicians. The housewife pays the tax on nearly everything she buys for her personal purposes. The solicitude for the housekeepers was only slightly lessened, but among the commodities to remain untaxed is oleomargarine. The profits of monopolies were not reduced by an income-tax but the costs of living were added to.

In the present debate, solicitude for the housewife is much in evidence. But less is said of solicitude for the powerful foreign-controlled monopolies which manufacture two-thirds of the oleomargarine made and sold in this country, which will profit them and their dealers \$16,000,000 annually. There are scores of measures before Congress to reduce other excise taxes upon many commodities and services, running into hundreds of millions of dollars annually, but the only reduction thus far proposed in this House is the removal of the tax of one-fourth cent per pound on uncolored oleo and 10 cents per pound on colored oleo. The solicitude expressed is for the housewife, but the real push back of oleo-tax repeal is to abolish the excise taxes upon the most ruthless and powerful associations which are seeking bigger and better profits from the sale of a product which would be used to throttle and help destroy the great dairy industry in which 10,000,000 people are engaged.

There are 700,000,000 pounds of surplus vegetable oils in our country. The price is low. The European cartels which own or control the world supply of vegetable oils are selling the vegetable oils of Brazil, for instance, to European countries at nearly double our market prices. The same world monopolies want us to pass legislation to broaden their markets by permitting the sale of oleo to our own people. Thus they would add \$100,000,000 or more to their annual profits, and help maintain the vegetable-oil controls they now have.

Only a few months ago, the rural people were told that food will win the war and food will establish a lasting peace. Our farmers responded to the call of their country and produced the needed foods, while their sons went to the fox-holes of the tropical islands to regain possession of the coconut groves for the cartels, among other and more important purposes. Scarcely was the war over until the millions commenced to flow into the big newspapers and magazines to portray the farmers whose endeavors saved the world from starvation and won the war, as profiteers and claimants to special privileges. The solicitude expressed for the farmers was quickly turned into virulent attack and condemnation. Never in all history has our good country displayed greater ingratitude toward millions of its own people.

Over 60 years ago, the farmers came to Congress seeking a law which would stop the fraudulent competition of oleo makers. The small tax on uncolored oleo and the higher tax on colored oleo were effective mainly because they could be and would be enforced. I am op-

posed to their repeal because they can be enforced. But the great propaganda spread by the oleo monopolies has led some to believe that the taxes are discriminatory. Hence, there comes the Granger-Andresen bill which would substitute for the tax provisions the forbidding of interstate traffic in yellow oleomargarine. I shall give it my support as the only method of meeting the situation which will develop from the removal of the tax.

The dairy situation is in a bad way. In 3 years the number of dairy cows in the country has declined by over three millions. Thousands of dairy farmers are so discouraged over the fall in prices for dairy commodities, as the expenses continue to permit no return for their endeavors, that they are selling their herds and quitting. The situation is serious for the consumers as well as the farmers. The oleo monopolies are helping making that situation even more critical.

(Mr. BREHM asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WHITE] for 1½ minutes.

Mr. WHITE of California. Mr. Chairman, I think the issue is quite clear-cut now. Both sides have stated that it is definitely an economic fight. Each side is fighting for its own interest. Both sides have not denied that there are strong lobbies working for them. I think this issue has resolved itself into the same kind of a fight that labor and management frequently get into. When you come to a fight of that type, the only way to resolve it is in the public interest. That is just exactly what I ask in this instance, that this matter be decided so the consumers, the people of this Nation, are free to buy whatever product they want with their money.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to include at this point a speech by the gentleman from Idaho [Mr. WHITE].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DAIRYING THE BACKBONE OF AGRICULTURE

Mr. WHITE of Idaho. Mr. Chairman, the legislation under consideration deals with one of the most important issues affecting agriculture and the welfare of the American people.

Our national leaders have long recognized the paramount importance of the dairy industry to the growth and welfare of our country. The Congress in its wisdom has enacted laws to safeguard our principal dairy product—butter—from the destructive competition of cheap butter substitutes.

Mr. Chairman, the milk cow has followed the pioneer in every State in the Union, bringing sustenance and support to the men and women with their families that have built America. In the covered-wagon days it was the milk cow and her progeny that accompanied the

settlers in their migrations to the Nation's frontiers and supported them with milk, butter, and beef while they reclaimed the land and built the homes and communities of this great country. The old-fashioned churn and the farm wife with her golden rolls of delicious butter did more to sustain the farmer and finance the building up of early-day American agriculture than any other product of the farm. This was so in the South, where now so much of the support of cheap butter substitutes comes from.

Well do I remember as a boy when I grew up in the deep South the system of cultivation followed by my father to increase the fertility of poor land. "Crawfish land" southern people called it when the little white chimney of the crawfish indicated the deficiency in fertility of the soil. My father practiced what he called "cowpenning the land." A cowpen was built on this poor land and the milk cows were penned on the ground every night. Next spring the cowpen was moved and a good crop was produced on the land where the cowpen had been the year before. Each year the cowpen was moved to another piece of land and in time the fertility of the farm was built up while the dairy herd thrived and grew. The butter and the increase from the dairy herd was sold in town to finance farm improvements and purchase the machinery used on the farm.

Let me remind the members of the committee that England has long recognized the importance of dairying and beef production. We are indebted to the English for the excellence and productivity of the dairy herds in this country by their contribution of Jersey, Guernsey, Alderney, and Airshire milk- and butter-producing cows, perfection achieved by generations of painstaking selection and breeding. So it is with their contribution of the beef strains of shorthorns and Herefords to our matchless herds of beef cattle.

The prowess of the English race in conquering and colonizing many parts of the world must be credited in a large measure to the fighting ability and rugged physiques of her beef eaters.

When Japan was making a bid for military advancement some years ago we read that she endeavored to ascertain what could be done to improve her national diet and increase the stature and prowess of her fighters, and we learned that the commission reported that milk, butter, and beef were the answer.

Mr. Chairman, show me a community or a country that is devoted to dairying and I will show you a hardy race and a prosperous people. Today, little Denmark with its dairy farms, its butter and bacon, a byproduct of the dairy, is an example of farm thrift and national stability to the rest of the world.

Little Holland, with its canals and dairy farms that gave us, and to the world, her famous dairy strains of Holstein-Friesian milk- and butter-producing cows—a country minus timber, without deposits of coal, iron, or oil, dependent on her farms and dairy herds, was before the war one of the richest of European countries.

Now the processors of cheap vegetable oils, surplus fats, and grease have taken over the soap trade and the tremendous business of supplying the Nation's cooking fats and compounds, together with the vast market for lubricants.

They have even come in and taken the market for our dairy-product cheese with their tinselled, adulterated cheese substitutes.

Mr. Chairman, today there is hardly a grocery store in the country where you can buy a piece of honest-to-goodness full cream cheese. Not content with taking over these vast markets, now these processors of cheap vegetable oils, surplus fats, and grease propose to come in and tear down the last legislative safeguards to the main product of our dairy industry, butter, and flood the market with their cheap butter substitute, oleomargarine, that will masquerade as butter in the stores of many communities and deprive the housewife of any opportunity to buy genuine butter. If the oleomargarine dealers have their way and this law is repealed, when the housewife goes to the store and asks for real butter she will get the same response we get today when we ask for full cream cheese, "Sorry; we don't keep it."

Now, when the world is struggling with inflation and is crying to us for fats and oils, we are being pressed by these profiteering packing-house companies and the manufacturers of the cheap butter substitutes—oleomargarine—to reverse our national policy and tear down the laws that Congress has enacted to protect the purity of the food of our children and safeguard our chief agricultural industry, yes, to protect the very stability of our farm economy by preserving our home markets for our principal dairy product—butter.

They would impoverish the farmer and dwarf our children to enrich profiteering manufacturers and unscrupulous oleomargarine dealers.

Mr. Chairman, we know and sympathize with the cotton growers of the South. They have been struggling for generations with their soil-depleting one-crop standard—cotton. Naturally, they are demanding a bigger and better market for their byproduct, cottonseed oil. They need the money to buy commercial fertilizers if they are to grow another good crop and more cottonseed oil.

Mr. Chairman, our Government undertook the construction of Muscle Shoals to provide fertilizer for the worn-out cotton fields of the South.

There has been a concerted effort in the cotton-growing States to get away from cotton and soil depletion, valiant attempts have been made with some success to build up the livestock and dairy industry as a means of increasing the fertility of its worn-out soil.

To meet a temporary price emergency caused by inflation, we are called upon to repeal our laws and deprive agriculture of the security of its dairy industry and the means of maintaining the fertility of the soil.

Mr. Chairman, we must not adopt a short-sighted policy that will bring the standards of agriculture down to the production of soil-depleting crops in order to expand the market for vegetable oil

and the purchase of more commercial fertilizer to build up a one-crop, soil-depleting industry.

Mr. Chairman, in the light of a lifetime of observation and experience in watching the growth of the business of manufacturing and marketing cheap butter substitutes and the inroads these butter substitutes have made in the market for dairy products in this country, I cannot bring myself to believe that this Congress can be persuaded to tear down the safeguards of our dairy industry by repealing the last of the laws that previous Congresses in their wisdom have enacted to preserve our basic farm industry, dairying.

The CHAIRMAN. The gentleman from South Carolina [Mr. RIVERS] is recognized for 1½ minutes.

Mr. RIVERS. Mr. Chairman, summing up this proposition before us today, do you want to give oleomargarine, which is agreed and acknowledged by everybody as an edible product, good for every conceivable operation of eating known to human kind, an opportunity to compete with all other free things in our country or not? My amendment gives you that opportunity. You do not need any further talk. The issue is clear. Shall we give an opportunity to compete or not? My amendment does exactly that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MCGREGOR. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCGREGOR. Mr. Chairman, I have listened very attentively for nearly 2 days to the debate both pro and con in regard to H. R. 2023, known as the Granger-Andresen bill. I have come to the conclusion, Mr. Chairman, that a great many Members of Congress do not realize that we have 2,500,000 dairy farm families who supply the Nation with vital live-stock products. The very existence of these families is threatened by the attempt to place a substitute dairy product on the open market in competition with butter and by not giving the consumer the protection he should have.

The records will show that butter and dairy prices are rapidly declining and pushing downward the dairymen's income. May I call to your attention that milk is produced on approximately three out of every four farms and provides the largest single source of cash farm revenue. Last year the controversial part of similar legislation was the repeal of the Federal tax on oleo. This year the tax is not in controversy, as nearly all groups, including leading farm organization, favor tax repeal on oleomargarine. May I call to your attention that if unrestricted sale of colored oleo is allowed, it means an additional loss to the farmers of \$250,000,000 a year. It will also mean a tremendous loss to 40,000 dairy plants and their employees. Farmers will be forced to slaughter millions of milk cows, an economic blow to consumers who are dependent upon dairy

herds for 40 percent of their beef and veal and all of their milk. This can only result in scarcity and high prices for meat, milk, and other dairy products. It will also bring to an end the historic soil-conservation program practiced on nearly every dairy farm.

This bill, Mr. Chairman, will protect the vital dairy industry against a complete loss of its crucial butter market to a product using a deceptive coloration. This bill will protect the buying public and prevent them from the sale of oleo colored in semblance of butter, but will remove all taxes and license fees on oleo itself. This bill does not prevent colored oleomargarine from being manufactured in Ohio, for example, if the laws of Ohio so permit. It certainly is the right of every State to legislate for itself. If the people of Indiana want to buy yellow, green, or white oleo, it should be up to their State legislature to decide and they should not be dictated to by Washington. This bill gives that opportunity. It also makes certain that the product will be sold for what it is and not as an imitation of butter. I recognize that several amendments are needed in this legislation to clarify and protect all of us, but I am certain this will be done and amendments will be offered so the final form of the bill will protect the consumer against fraud and deception.

I am hoping that you will join with me in giving this bill, H. R. 2023, your wholehearted support and that it will become a law.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The gentleman from Arkansas [Mr. GATHINGS] is recognized to close the debate.

Mr. GATHINGS. Mr. Chairman, I favor the passage, or the approval of the Poage amendment. I am opposed to the Andresen-Granger substitute because of the fact that I do not believe that it is proper to impose a penalty upon the housewife who lives in the District of Columbia or who lives close to a State line. Let us take the case of the housewife living in the District of Columbia. Suppose she goes to Bethesda, which is just across the line in Maryland, and buys a pound of colored margarine. It is legal to sell colored margarine in the State of Maryland, but under the Andresen-Granger bill it is illegal to sell it or bring it into the District of Columbia. When she comes back into the District of Columbia with that pound of colored oleo she subjects herself to a fine of \$1,000 or to 1 year's imprisonment, or to both. The Granger bill should not be passed because under it you cannot sell colored margarine in any State unless a plant that manufactures margarine is operating in that State.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. POAGE. May I read to the gentleman an excerpt from a letter signed by Dr. P. B. Dunbar of the Federal Security Agency dated March 18?

Mr. GATHINGS. I yield to the gentleman for that purpose.

Mr. POAGE. Dr. Dunbar says that it is their opinion that the bill, H. R. 2023, would require surveillance over oleomargarine in both interstate and intrastate commerce. He says he considers that it would require the control of yellow margarine from intrastate sources. That is the reason he told the gentleman from Utah [Mr. GRANGER] that he did not think his bill took control out from under the Pure Food and Drugs Act, because he interprets it to be a direct prohibition against the sale of yellow margarine in either intrastate commerce or interstate commerce; and here is the written explanation by the Security Agency of the United States.

Mr. GATHINGS. I thank the gentleman.

I hope the Poage substitute will be agreed to.

Mr. EVINS. Mr. Chairman and members of the Committee, I have followed with a great deal of interest the hearings and testimony on this important question before the House Committee on Agriculture and also the debate on the floor yesterday and today on this pending legislation.

As many members of this Committee will recall, when this issue was before the House during the last session of the Congress I cast a vote which some considered a singular vote—being a representative from the South—as the South has such a great cotton economy. I voted for what I thought was for and in the best interests of the growing, thriving, and progressive dairy industry in Tennessee and particularly the district which I have the honor to represent—the Fifth Congressional District of Tennessee—which is one of the greatest, if not the greatest, dairying districts in the South. My voice and vote of last year was given as an expression and hope that the growing, thriving, progressive, and vitally important dairy industry in my State, and for that matter throughout the United States, would not be impaired. In the action which the House will take here today, I again express the hope that no action will be taken which will impede the future growth and progress of the vital dairy industry not only of my section of Tennessee but throughout the country.

Mr. Chairman, last summer it was my pleasure to visit a number of the TVA test demonstration farms in the southern portion of my district bordering on the Alabama line, where I talked with a number of farmers who were making great strides in dairying. One in particular I recall, and I should like to speak of the experience of this farmer, dairyman, and good citizen, because his experience is so typical of the progress that is being made in my State in the field of dairying. This particular farmer stated to me that he moved into Tennessee in what was considered a rather poor agricultural section some 10 or 12 years ago and that his entire income for several years from the raising of cotton amounted to approximately \$700 per year. A few years ago he

started raising alfalfa and other legume hay and feeding the hay to dairy cattle, milking the cows, and selling his dairy products, and that at the present time his average monthly income is \$700 per month. Thus, it was apparent that this farmer, which is so typical of the experiences of many, is receiving as much income per month from the sale of dairy products as he formerly received for an entire year in the growing of cotton. There is no inclination in speaking of this instance in any way to disparage our great cotton crop or cotton economy but rather I give this illustration to indicate what has been done and is being done with regard to the thriving and progressive dairy industry in my section of Tennessee.

In this region, those who visit there can see beautiful farms, fine dairy barns, excellent stock of dairy herds, and an agricultural economy that is second to none. Knowing of the progress which our people are making in this respect, I certainly hope that no action will be taken here today which will disrupt or impede this progress or in any respect injure our agricultural and dairying economy.

I have considered the so-called Poage bill, H. R. 3, also the Granger bill, H. R. 2023, and the Rivers bill, H. R. 279. All three of these measures repeal the tax on oleomargarine. There seems to be no question regarding the fact that the tax at this time should be repealed. In fact, the dairy industry is not opposing or offering any opposition to the repeal of the tax. The so-called Rivers bill, H. R. 279, would permit the unregulated sale of oleomargarine, colored or otherwise. It takes off the bridle of any regulation and would permit of unfair competition. This bill goes to one extreme. The so-called Granger bill, H. R. 2023, would prohibit the manufacture, sale, and shipment of yellow-colored oleomargarine in interstate commerce. It would outlaw the transportation across State lines of colored oleomargarine. Many have said that this bill goes to another extreme and that it is too drastic. The Granger bill prohibits the interstate shipment of the manufactured product when colored, while on the other hand permitting the unregulated sale of the product once manufactured within the State. In my own State of Tennessee, oleomargarine taxes have been repealed by the legislature and yellow oleomargarine may now be manufactured and sold within the limits of the State.

The Poage bill, H. R. 3, provides for positive identification of yellow margarine and for positive marking and identification of the product in labeling, branding, and in each individual patty sold in restaurants, hospitals, and other establishments where the product may be served. In addition, provision is made for the placing of a sign in each such establishment conspicuously showing that oleomargarine product is served in such establishment where such product may be served. As I have indicated, in listening to the debates and from being familiar with the testimony before the committee and with the provisions of

the pending bills, it would thus appear that the Poage bill provides considerable protection—said by many to be the most effective protection—to the dairy farmers through the provision for positive labeling, branding, and proper identification.

As indicated, I want to lend by support to whatever measure will afford the greatest protection to our growing, thriving, and vitally important dairy industry while at the same time insuring fair competition and fair play and protection to members of the consuming public. Let us adopt a measure that will provide fair competition, eliminate the discriminatory tax and protect our important dairy industry against unfair methods of competition and unfair practices injurious to the dairy industry, which is of such vital importance to our agricultural economy.

The CHAIRMAN. All time has expired on the pending substitute and the pending amendment.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL] to the Poage substitute for the original bill.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the amendment may be read for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HILL to the substitute bill offered by Mr. POAGE:

On page 3, line 5, insert after the word "unless" the figure, "(1)".

On page 3, line 16, strike out the period at the end of line 16 and insert the following: ", or (2) such colored oleomargarine or colored margarine is moulded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine at a public eating place, whether or not a charge is made therefor, unless each separate service thereof is triangular in shape."

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. As I understand, the Hill amendment is an amendment to the original Poage amendment. In view of that would the procedure not be to vote first on the Rivers amendment to the Poage amendment before voting on the Hill amendment to the Poage amendment?

The CHAIRMAN. In response to the inquiry of the gentleman from Indiana the Chair will state that the vote comes first on the amendment of the gentleman from Colorado to the Poage amendment to clarify it, or in the nature of a clarifying amendment. The vote will then recur on the substitute of the gentleman from South Carolina [Mr. RIVERS] for the Poage amendment.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL].

The amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman

from South Carolina [Mr. RIVERS] for the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. RIVERS) there were ayes 52, noes 190.

So the Rivers substitute was rejected.

The CHAIRMAN. The question is on the amendment to the original bill, in the nature of a substitute, offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 152, noes 140.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee again divided; and the tellers reported that there were—ayes 162, noes 141.

So the substitute amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. Will the gentleman state what he proposes to offer as a preferential motion?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman is out of order. That is not a preferential motion at this time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2023) to regulate oleo-margarine, to repeal certain taxes relating to oleomargarine, and for other purposes, pursuant to House Resolution 168, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. AUGUST H. ANDRESEN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 242, nays 137, answered "present" 1, not voting 53, as follows:

[Roll No. 62]

YEAS—242

Abernethy	Bland	Church
Addonizio	Boggs, Del.	Cole, Kans.
Albert	Boggs, La.	Colmer
Allen, Calif.	Bolling	Combs
Allen, Ill.	Bonner	Cooley
Allen, La.	Brooks	Cooper
Anderson, Calif.	Brown, Ga.	Corbett
Andrews	Bryson	Cotton
Angell	Buchanan	Cox
Arends	Buckley, Ill.	Crosser
Auchincloss	Burke	Davenport
Barden	Burleson	Davis, Ga.
Baring	Burnside	Davis, Tenn.
Barrett, Pa.	Camp	Dawson
Bates, Ky.	Canfield	Deane
Bates, Mass.	Carlyle	DeGraffenried
Battle	Carroll	Delaney
Beckworth	Case, N. J.	Dollinger
Bennett, Fla.	Celler	Dondero
Bentsen	Chesney	Donohue

Doughton	Johnson	Philbin
Douglas	Jonas	Phillips, Tenn.
Doyle	Jones, Ala.	Pickett
Durham	Jones, Mo.	Poage
Eaton	Jones, N. C.	Poulson
Eberharter	Judd	Preston
Elliott	Karst	Price
Elston	Karsten	Priest
Engle, Calif.	Kearns	Rabaut
Fallon	Kee	Rains
Feighan	Kennedy	Ramsay
Fenton	Kerr	Rankin
Fernandez	Kilday	Redden
Fisher	King	Rhodes
Flood	Kruse	Ribicoff
Fogarty	Kunkel	Rich
Forand	Larcade	Richards
Frazier	Latham	Rivers
Fulton	Lesinski	Rodino
Furcolo	Linehan	Rogers, Fla.
Gamble	Lodge	Rooney
Garmatz	Lucas	Sabath
Gary	Lyle	Sadowski
Gathings	Lynch	Scott, Hardie
Gavin	McConnell	Scott,
Golden	McCormack	Hugh D., Jr.
Goodwin	McDonough	Sheppard
Gordon	McGrath	Sikes
Gore	McKinnon	Sims
Gorski, Ill.	McMillan, S. C.	Smathers
Gorski, N. Y.	McMillen, Ill.	Spence
Graham	Mack, Ill.	Steed
Granahan	Madden	Stigler
Grant	Mahon	Sullivan
Green	Marcantonio	Sutton
Gregory	Marsalis	Tackett
Gwinn	Miles	Tauriello
Hale	Miller, Calif.	Teague
Hand	Mills	Thomas, Tex.
Hardy	Monroney	Thompson
Hare	Morris	Thornberry
Harris	Morton	Towe
Harrison	Multer	Underwood
Hart	Murdock	Vorys
Havener	Murray, Tenn.	Wagner
Hays, Ark.	Nicholson	Walter
Heffernan	Nixon	Welch, Calif.
Heller	Noland	Werdel
Herlong	Norrell	Wheeler
Heselton	Norton	White, Calif.
Hinshaw	O'Brien, Ill.	Whitten
Hobbs	O'Hara, Ill.	Whittington
Hoffman, Ill.	O'Neill	Wigglesworth
Holifield	O'Toole	Williams
Howell	Pace	Willis
Huber	Passman	Wilson, Tex.
Irving	Patman	Winstead
Jackson, Calif.	Patten	Wolverton
Jacobs	Patterson	Worley
James	Perkins	Yates
Javits	Peterson	Young

NAYS—137

Abbitt	Dolliver	McSweeney
Andersen	Ellsworth	Mack, Wash.
H. Carl	Engel, Mich.	Magee
Andresen,	Evins	Marshall
August H.	Fellows	Martin, Iowa
Aspinall	Ford	Mason
Bailey	Fugate	Meyer
Barrett, Wyo.	Gillette	Michener
Beall	Granger	Miller, Md.
Bennett, Mich.	Gross	Miller, Nebr.
Bishop	Hagen	Mitchell
Blackney	Hall	Moulder
Blatnik	Edwin Arthur	Murray, Wis.
Bolton, Md.	Halleck	Nelson
Bramblett	Harden	Norblad
Breen	Harvey	O'Hara, Minn.
Brehm	Hedrick	O'Konski
Brown, Ohio	Hill	O'Sullivan
Burdick	Hoeven	Pfeiffer,
Burton	Holmes	William L.
Byrne, N. Y.	Hope	Phillips, Calif.
Byrnes, Wis.	Horan	Plumley
Cannon	Hull	Polk
Carnahan	Jackson, Wash.	Potter
Case, S. Dak.	Jenison	Reed, Ill.
Chatham	Jenkins	Reed, N. Y.
Chelf	Jensen	Rees
Chipperfield	Kearney	Riehlman
Christopher	Keating	Sadlak
Clevenger	Keefe	St. George
Cole, N. Y.	Kilburn	Sanborn
Crawford	LeCompte	Sasscer
Crook	LeFevre	Scrivner
Cunningham	Lemke	Scudder
Curtis	Lichtenwalter	Serest
Dague	Lind	Shafer
Davies, N. Y.	Lovre	Short
Davis, Wis.	McCarthy	Simpson, Ill.
Denton	McCulloch	Simpson, Pa.
D'Ewart	McGregor	Smith, Kans.

Smith, Va.	Trimble	Wier
Smith, Wis.	Van Zandt	Wilson, Ind.
Stockman	Velde	Wilson, Okla.
Taber	Vursell	Withrow
Talle	Walsh	Wolcott
Taylor	Weichel	Woodhouse
Tollefson	Wickersham	Zablocki

ANSWERED "PRESENT"—1

Mansfield

NOT VOTING—53

Biemiller	Hoffman, Mich.	Powell
Bolton, Ohio	Jennings	Quinn
Bosone	Kean	Regan
Boykin	Kelley	Rogers, Mass.
Buckley, N. Y.	Keogh	Smith, Ohio
Bulwinkle	Kirwan	Somers
Cavalcante	Klein	Staggers
Chudoff	Lane	Stanley
Clemente	Lanham	Stefan
Coffey	McGuire	Thomas, N. J.
Coudert	Macy	Vinson
Dingell	Martin, Mass.	Wadsworth
Gilmer	Morrow	Welch, Mo.
Gossett	Morgan	Whitaker
Hall,	Morrison	White, Idaho
Leonard W.	Murphy	Wood
Hays, Ohio	O'Brien, Mich.	Woodruff
Hébert	Pfeifer,	
Herter	Joseph L.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kean for, with Mr. Stefan against.
 Mr. Wadsworth for, with Mr. Woodruff against.
 Mr. Kirwan for, with Mr. Mansfield against.
 Mr. Vinson for, with Mr. Welch of Missouri against.
 Mr. Gossett for, with Mr. Stanley against.
 Mr. Klein for, with Mr. Hays of Ohio against.
 Mr. Hébert for, with Mr. White of Idaho against.
 Mr. Jennings for, with Mr. Hoffman of Michigan against.

General pairs until further notice:

Mr. Regan with Mr. Leonard W. Hall.
 Mr. McGuire with Mr. Martin of Massachusetts.
 Mr. Kelley with Mr. Macy.
 Mr. Whitaker with Mr. Morrow.
 Mr. Wood with Mrs. Rogers of Massachusetts.
 Mr. Staggers with Mr. Coudert.
 Mr. Morrison with Mrs. Bolton of Ohio.
 Mr. Gilmer with Mr. Smith of Ohio.

Mr. PERKINS, Mr. IRVING, and Mr. BURKE changed their votes from "yea" to "nay."

Mr. MANSFIELD. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. KIRWAN. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. AUGUST H. ANDRESEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. AUGUST H. ANDRESEN moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 287, nays 89, not voting 57, as follows:

[Roll No. 63]

YEAS—287

Abbott	Douglas	Karst
Abernethy	Doyle	Karsten
Addonizio	Durham	Kearney
Albert	Eberhart	Kearns
Allen, Calif.	Elliott	Keating
Allen, Ill.	Elston	Kee
Allen, La.	Engle, Calif.	Kennedy
Anderson, Calif.	Evins	Kerr
Andrews	Fallon	Kilday
Angell	Felghan	King
Arends	Fellows	Kruse
Aspinall	Fenton	Kunkel
Auchincloss	Fernandez	Lanham
Bailey	Fisher	Larcade
Barden	Flood	Latham
Baring	Fogarty	LeFevre
Barrett, Pa.	Forand	Lesinski
Bates, Ky.	Ford	Lichtenwalter
Bates, Mass.	Frazier	Lind
Battle	Fugate	Linehan
Beall	Fulton	Lodge
Beckworth	Furcolo	Lucas
Bennett, Fla.	Gamble	Lyle
Bennett, Mich.	Garmatz	Lynch
Bentsen	Gary	McConnell
Bland	Gathings	McCormack
Boggs, Del.	Gavin	McDonough
Boggs, La.	Golden	McGrath
Bolling	Goodwin	McKinnon
Bolton, Md.	Gordon	McMillan, S. C.
Bonner	Gore	McMillen, Ill.
Bramblett	Gorski, Ill.	McSweeney
Brehm	Gorski, N. Y.	Mack, Ill.
Brooks	Graham	Madden
Brown, Ga.	Granahan	Mahon
Bryson	Grant	Mansfield
Buchanan	Green	Marcantonio
Buckley, Ill.	Gregory	Marsalis
Burke	Gwinn	Meyer
Burleson	Hale	Miles
Burnside	Hall	Miller, Calif.
Burton	Edwin Arthur	Mills
Byrne, N. Y.	Halleck	Mitchell
Camp	Hand	Monroney
Canfield	Harden	Morris
Carlyle	Hardy	Morton
Carroll	Hare	Multer
Case, N. J.	Harris	Murdock
Celler	Harrison	Murray, Tenn.
Chesney	Hart	Nelson
Chiperfield	Harvey	Nicholson
Church	Havenner	Nixon
Coffey	Hays, Ark.	Noland
Cole, Kans.	Hedrick	Norrell
Colmer	Heffernan	Norton
Combs	Heller	O'Brien, Ill.
Cooley	Herlong	O'Hara, Ill.
Cooper	Heseltan	O'Neill
Corbett	Hill	O'Toole
Cotton	Hinshaw	Pace
Cox	Hobbs	Passman
Crook	Hoffman, Ill.	Patman
Crosser	Holifield	Patten
Dague	Howell	Patterson
Davenport	Huber	Perkins
Davis, Ga.	Irving	Peterson
Davis, Tenn.	Jackson, Calif.	Pfeiffer
Dawson	Jacobs	William L.
Deane	James	Philbin
DeGraffenried	Javits	Phillips, Tenn.
Delaney	Jenkins	Pickett
Dentler	Johnson	Poage
Dollinger	Jonas	Potter
Dondero	Jones, Ala.	Poulson
Donohue	Jones, N. C.	Preston
Doughton	Judd	Price

Priest	Scott,	Vorys
Rabaut	Hugh D., Jr.	Wagner
Rains	Scribner	Walsh
Ramsay	Sheppard	Walter
Rankin	Sims	Welch, Calif.
Rearden	Smathers	Werdell
Rees	Spence	Wheeler
Rhodes	Steed	White, Calif.
Ribicoff	Stigler	Whitten
Rich	Sullivan	Whittington
Richards	Sutton	Wigglesworth
Riehlman	Tackett	Williams
Rivers	Tauriello	Willis
Rodino	Taylor	Wilson, Tex.
Rogers, Fla.	Teague	Winstead
Rooney	Thomas, Tex.	Wolverton
Sabatini	Thompson	Worley
Sadlak	Thornberry	Yates
Sadowski	Towe	Young
Sasser	Underwood	Zablocki
Scott, Hardie	Van Zandt	

NAYS—89

Andersen,	Hagen	Phillips, Calif.
H. Carl	Hoeven	Polk
Andresen,	Holmes	Reed, Ill.
August H.	Hope	Reed, N. Y.
Barrett, Wyo.	Horan	St. George
Bishop	Hull	Sanborn
Blackney	Jackson, Wash.	Scudder
Blatnik	Jenison	Secrest
Breen	Jensen	Shafer
Brown, Ohio	Keefe	Short
Burdick	Kilburn	Simpson, Ill.
Byrnes, Wis.	LeCompte	Simpson, Pa.
Cannon	Lemke	Smith, Kans.
Carnahan	Lovre	Smith, Va.
Case, S. Dak.	McCarthy	Smith, Wis.
Chelf	McCulloch	Stockman
Christopher	McGregor	Taber
Clevenger	Mack, Wash.	Talle
Cole, N. Y.	Magee	Tollefson
Crawford	Marshall	Trimble
Cunningham	Martin, Iowa	Vursell
Curtis	Mason	Weichel
Davies, N. Y.	Michener	Wickersham
Davis, Wis.	Miller, Md.	Wier
D'Ewart	Miller, Nebr.	Wilson, Ind.
Dolliver	Moulder	Wilson, Okla.
Ellsworth	Murray, Wis.	Withrow
Engel, Mich.	Norblad	Wolcott
Gillette	O'Hara, Minn.	Woodhouse
Granger	O'Konski	
Gross	O'Sullivan	

NOT VOTING—57

Biemiller	Hoffman, Mich.	Powell
Bolton, Ohio	Jennings	Quinn
Bosone	Jones, Mo.	Regan
Boykin	Kean	Rogers, Mass.
Buckley, N. Y.	Kelley	Sikes
Bulwinkle	Keogh	Smith, Ohio
Cavalcante	Kirwan	Somers
Chatham	Klein	Staggers
Chudoff	Lane	Stanley
Clemente	McGuire	Stefan
Coudert	Macy	Thomas, N. J.
Dingell	Martin, Mass.	Velde
Eaton	Morrow	Vinson
Gilmer	Morgan	Wadsworth
Gossett	Morrison	Welch, Mo.
Hall	Murphy	Whitaker
Leonard W.	O'Brien, Mich.	White, Idaho
Hays, Ohio	Pfeiffer	Wood
Hébert	Joseph L.	Woodruff
Herter	Plumley	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Chatham against.
 Mr. Gossett for, with Mr. Stanley against.
 Mr. Hébert for, with Mr. Hays of Ohio against.
 Mr. Staggers for, with Mr. White of Idaho against.
 Mr. Regan for, with Mr. Welch of Missouri against.
 Mr. Herter for, with Mr. Velde against.
 Mr. Kean for, with Mr. Woodruff against.
 Mr. Jennings for, with Mr. Stefan against.
 Mr. Coudert for, with Mr. Hoffman of Michigan against.
 Mr. Morrow for, with Mr. Macy against.

Additional general pairs:

Mrs. Bosone with Mrs. Bolton of Ohio.
 Mr. Kelley with Mr. Martin of Massachusetts.

Mr. Wood with Mr. Leonard W. Hall.
 Mr. Whitaker with Mr. Wadsworth.
 Mr. Morrison with Mr. Smith of Ohio.
 Mr. Gilmer with Mr. Plumley.
 Mr. McGuire with Mr. Eaton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill be given permission to revise and extend their remarks and that all other Members be given five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT OVER AND PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if the gentleman could tell us about the program for next week.

Mr. McCORMACK. I will be glad to. On Monday the Consent Calendar will be called. Then the following bills will be called up under suspension of the rules: H. R. 3856, which provides for a Commission on Renovation of the Executive Mansion; H. R. 3830, extension of the aid to China bill.

Mr. HALLECK. There has been some discussion about an amendment that will be offered in connection with that suspension. Would the gentleman tell us about that so that it may be clarified in the minds of the Members?

Mr. McCORMACK. I will be very glad to. On page 2 of the bill, lines 3 and 4, there is the following language: "Without regard to the foregoing provisions of this act."

The motion to suspend will be accompanied by an amendment striking out those words.

Then continuing on Monday there will be H. R. 165, the American River Basin Development.

On Tuesday the Private Calendar will be called, and thereafter I am bracketing the remainder of the week together, Tuesday, Wednesday, Thursday, Friday, and Saturday; the agricultural appropriation bill; State, Justice and Commerce appropriation bill; ECA; and independent offices appropriation bill.

Any further program will be announced later.

Mr. PHILLIPS of California. Mr. Speaker, if the gentleman will yield, what date was the independent offices appropriation bill set for?

Mr. McCORMACK. The independent offices appropriation bill is scheduled after ECA.

Mr. PHILLIPS of California. At the end of this coming week?

Mr. McCORMACK. Yes. I have in mind of course, the statement I made a few days ago about the 10-day recess, at which time I said the chances were 93 out of 100 that we would be able to take

such a recess. I still adhere to that statement I made a few days ago. I realize it is a heavy schedule but, if necessary, I shall ask the indulgence of the leadership on the Republican side and of my colleagues of the House to meet earlier some days during next week.

The following week we will take up the Army appropriation bill and other legislation which I cannot state now. When that is done, we will have passed every supply bill except the legislative appropriation bill, which I think is a most remarkable record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. PLUMLEY. Mr. Speaker, I was called out of the Chamber while the final vote was being taken on the oleo bill. Had I been here I would have voted "nay."

EXTENSION OF REMARKS

Mr. EVINS asked and was given permission to extend his remarks in the Appendix of the RECORD, and also to extend his remarks in the RECORD immediately following the remarks of the gentleman from Arkansas [Mr. GATHINGS] in Committee of the Whole today.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include an article by the American Parents Committee on the pressing needs of American children.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include three letters passing between himself and the Department of the Interior on the subject of the Jefferson Memorial.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an article on the two hundred fiftieth anniversary of the oldest settlement in the Mississippi Valley, Cahokia, Ill.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include a news article.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include the language of his bill H. R. 2368.

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the San Rafael Independent, of San Rafael, Calif.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEAN (at the request of Mr. WOLVERTON), for 3 days on account of death in family.

To Mrs. BOSONE (at the request of Mr. GRANGER), for April 1, 1949, on account of official business.

To Mr. LANE (at the request of Mr. McCORMACK), for an indefinite period, on account of illness.

To Mr. McGUIRE (at the request of Mr. WAGNER), for April 1, 1949 on account of official business.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2101. An act to abolish the Regional Agricultural Credit Corporation of Washington, D. C., and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until Monday, April 4, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

485. A communication from the President of the United States, transmitting a revision of the budget for the fiscal year 1950 involving a decrease of \$3,257,000 in an estimate of appropriation for the United States Maritime Commission in the form of an amendment to the budget for said fiscal year (H. Doc. No. 151); to the Committee on Appropriations and ordered to be printed.

486. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its report on Federal business enterprises and, separately, the task-force reports on revolving funds, as appendix J; on water resources projects, as appendix K; and on lending agencies, as appendix R (H. Doc. No. 152); to the Committee on Expenditures in the Executive Departments and ordered to be printed with illustrations.

487. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration on certain aspects of revolving funds and business enterprises of the Government other than lending agencies; to the Committee on Expenditures in the Executive Departments.

488. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration on certain aspects of power, irrigation, and flood-control projects; to the Committee on Expenditures in the Executive Departments.

489. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration of activities and organization of lending agencies of the Government; to the Committee on Expenditures in the Executive Departments.

490. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the following staff reports which were prepared for the Commission's consideration by the task force as a supplement to the Commission's report on Federal business enterprises: (1) Farmers Home Administration and predecessor agencies; (2) Housing and Home Finance Agency and its constituent agencies; (3) Export-Import Bank of Washington, Federal Deposit Insurance Corporation, auxiliary Government

lending agencies; (4) Farm Credit Administration and its supervised agencies; (5) Reconstruction Finance Corporation and subsidiaries; to the Committee on Expenditures in the Executive Departments.

491. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Savings and Loan Insurance Corporation for the fiscal year ended June 30, 1947 (H. Doc. No. 153); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

492. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report with respect to the development of a program for the disposal to private industry of the Government-owned rubber-producing facilities; to the Committee on Armed Services.

493. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to provide for the appointment of a Deputy Disbursing Officer and assistant disbursing officers for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

494. A letter from the Secretary of Defense, transmitting a letter from the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation, entitled "A bill to amend the act to authorize the construction of experimental submarines, and for other purposes, approved May 16, 1947"; to the Committee on Armed Services.

495. A letter from the Department of the Interior, Geological Survey, representative of United States Pecos River compact negotiations, transmitting a copy of a compact entered into between the States of New Mexico and Texas to determine the rights and obligations of those States respecting uses and deliveries of the waters of the Pecos River; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. REDDEN: Committee on Public Lands. H. R. 225. A bill authorizing the Legislature of Alaska to alter, amend, or repeal certain laws of Alaska imposing taxes for carrying on business and trade, and for other purposes; with an amendment (Rept. No. 371). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1407. A bill to declare that the United States holds certain lands in trust for the Bad River Band of Lake Superior Chippewa Indians of the State of Wisconsin; without amendment (Rept. No. 372). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1892. A bill authorizing the Secretary of the Interior to issue a patent in fee to certain Indian lands in Lake County, Mont.; without amendment (Rept. No. 373). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 2387. A bill authorizing the Governor of Alaska to fix certain fees and charges with respect to elections; with an amendment (Rept. No. 374). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 2876. A bill to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes; without amendment (Rept. No. 375). Referred to the Committee of the Whole House on the State of the Union.

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 2 (legislative day, MARCH 18), 1949

Read twice and referred to the Committee on Finance

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2301 of the Internal Revenue Code (relating
4 to the tax on oleomargarine) is repealed.

5 SEC. 2. Part I of subchapter A of chapter 27 of the
6 Internal Revenue Code (relating to the occupational tax on
7 manufacturers, wholesalers, and retailers of oleomargarine)
8 is repealed: *Provided*, That such repeal shall not be con-
9 strued to entitle any manufacturer, wholesaler, or retailer
10 to a refund of any occupational tax heretofore paid.

11 SEC. 3. (a) The Congress hereby finds and declares that

1 the sale, or the serving in public eating places, of colored oleo-
2 margarine or colored margarine without clear identification
3 as such or which is otherwise adulterated or misbranded
4 within the meaning of the Federal Food, Drug, and Cos-
5 metic Act depresses the market in interstate commerce for
6 butter and for oleomargarine or margarine clearly identified
7 and neither adulterated nor misbranded, and constitutes a
8 burden on interstate commerce in such articles. Such burden
9 exists, irrespective of whether such oleomargarine or mar-
10 garine originates from an interstate source or from the State
11 in which it is sold.

12 (b) Section 301 of the Federal Food, Drug, and Cos-
13 metic Act, as amended (21 U. S. C. 331), is amended by
14 adding a new paragraph as follows:

15 “(m) The serving of colored oleomargarine or colored
16 margarine in violation of section 407 (b).”

17 (c) Chapter IV of such Act, as amended (21 U. S. C.
18 341 and the following), is amended by adding a new sec-
19 tion as follows:

20 “COLORED OLEOMARGARINE

21 “SEC. 407. (a) Colored oleomargarine or colored mar-
22 garine which is sold in the same State or Territory in which
23 it is produced shall be subject in the same manner and to

1 the same extent to the provisions of this Act as if it had
2 been introduced in interstate commerce.

3 “(b) No person shall possess in a form ready for serv-
4 ing colored oleomargarine or colored margarine at a public
5 eating place unless (1) a notice that oleomargarine or
6 margarine is served is displayed prominently and conspicu-
7 ously in such place and in such manner as to render it likely
8 to be read and understood by the ordinary individual being
9 served in such eating place or is printed or is otherwise set
10 forth on the menu in type or lettering not smaller than that
11 normally used to designate the serving of other food items;
12 and no person shall serve colored oleomargarine or colored
13 margarine at a public eating place, whether or not any
14 charge is made therefor, unless each separate serving bears
15 or is accompanied by labeling identifying it as oleomarga-
16 rine or margarine, or (2) such colored oleomargarine or
17 colored margarine is molded and shaped in such manner
18 so as to have three sides (exclusive of the ends) and no
19 person shall serve colored oleomargarine or colored margarine
20 at a public eating place, whether or not a charge is made
21 therefor, unless each separate serving thereof is triangular in
22 shape.

23 “(c) Colored oleomargarine or colored margarine when

1 served with meals at a public eating place shall at the time
2 of such service be exempt from the labeling requirements
3 of section 403 (except (a) and 403 (f)) if it complies
4 with the requirements of subsection (b) of this section.

5 “(d) For the purpose of this section colored oleomar-
6 garine or colored margarine is oleomargarine or margarine
7 having a tint or shade containing more than one and six-
8 tenths degrees of yellow, or of yellow and red collectively,
9 but with an excess of yellow over red, measured in terms of
10 Lovibond tintometer scale or its equivalent.”

11 SEC. 4. So much of the unexpended balances of appro-
12 priations, allocations, or other funds (including funds avail-
13 able for the fiscal year ending June 30, 1950) for the use
14 of the Bureau of Internal Revenue of the Treasury Depart-
15 ment in the exercise of functions under the Oleomargarine
16 Tax Act (26 U. S. C. 2300 subchapter A), as the Director
17 of the Bureau of the Budget may determine, shall be trans-
18 ferred to the Federal Security Agency (Food and Drug
19 Administration) for use in the enforcement of this Act.

20 SEC. 5. This Act shall not abrogate or nullify any
21 statute of any State or Territory now in effect or which
22 may hereafter be enacted.

23 SEC. 6. This Act shall become effective thirty days after

1 its enactment except that section 2 of this Act shall become
2 effective thirty days after its enactment or July 1, 1949,
3 whichever date is earlier.

Passed the House of Representatives April 1, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST SESSION

H. R. 2023

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

APRIL 2 (legislative day, March 18), 1949

Read twice and referred to the Committee on Finance

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 4 (legislative day, MARCH 18), 1949

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. WILEY (for himself, Mr. GILLETTE, Mr. MILLER, Mr. BUTLER, Mr. THYE, Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER, Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE, Mr. GURNEY, Mr. MUNDT, Mr. AIKEN, Mr. ECTON, Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPEHART, Mr. JOHNSON of Colorado, Mr. CORDON, Mr. HUMPHREY, Mr. DONNELL, Mr. FLANDERS, and Mr. FERGUSON) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: Strike out all after the enacting clause and in lieu thereof insert the following:

1 DEFINITIONS

2 SECTION 1. (a) The term "oleomargarine" as used
3 in this Act includes—

(1) all substances, mixtures, and compounds known as oleomargarine, margarine, oleo, or butterine;

(2) all substances, mixtures, and compounds which have a consistency similar to that of butter and which contain any edible oils or fats other than milk fat if

(A) made in imitation or semblance of butter, or purporting to be butter or a butter substitute, or (B)

commonly used, or intended for common use, in place

of or as a substitute for butter, or (C) churned, emulsi-

fied, or mixed in cream, milk, skim milk, buttermilk,

water, or other liquid and containing moisture in excess

of 1 per centum and commonly used, or suitable for

common use, as a substitute for butter.

(b) For the purposes of this Act, "yellow oleomargarine" is oleomargarine, as defined in subsection (a) of this section, having a tint or shade containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, measured in terms of the Lovibond tintometer scale read under conditions substantially similar to those established by the Bureau of Internal Revenue, or the equivalent of such measurement.

(c) The term "commerce" as used in this Act, means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State

1 or other Territory or between any foreign country and any
2 State, Territory, or the District of Columbia, or within the
3 District of Columbia or any Territory, or between points in
4 the same State but through any other State or any Terri-
5 tory or the District of Columbia or any foreign country.

6 PROHIBITED ACTS

7 SEC. 2. The manufacture, transportation, handling, pos-
8 session, sale, use, or serving of yellow oleomargarine in
9 commerce, or after shipment in commerce as yellow oleo-
10 margarine, or in connection with the production of yellow
11 oleomargarine for shipment in commerce, is hereby declared
12 unlawful: *Provided, however,* That yellow oleomargarine
13 manufactured or colored within the borders of a State or
14 Territory in which it is to be consumed shall not be sub-
15 ject to the provisions of this Act but shall be subject to the
16 laws and regulations of such State or Territory. Nothing
17 contained in this Act shall be construed to limit in any way
18 the applicability of the Federal Food, Drug, and Cosmetic
19 Act.

20 ENFORCEMENT

21 SEC. 3. The Administrator of the Federal Security
22 Agency is authorized and directed to administer and enforce
23 this Act and to prescribe and enforce rules and regulations
24 to carry out its purposes and policies. The enforcement
25 provisions of the Federal Food, Drug, and Cosmetic Act,

1 including the provisions relating to injunctions and seizure,
2 shall be available for the enforcement of this Act.

3 PENALTIES

4 SEC. 4. Any person, firm, or corporation violating any
5 of the provisions of this Act, or of the rules and regulations
6 issued in connection therewith, and any officer, agent, or
7 employee thereof who directs or knowingly permits such
8 violations, or who aids or assists therein, shall upon con-
9 viction thereof be subject to punishment in the same manner
10 and to the same extent as persons who violate the Federal
11 Food, Drug, and Cosmetic Act.

12 APPROPRIATIONS

13 SEC. 5. There is hereby authorized to be appropriated
14 annually, out of any money in the Treasury not otherwise
15 appropriated, such sums as may be necessary for the ade-
16 quate enforcement of this Act.

17 REPEAL

18 SEC. 6. The following sections of the Internal Revenue
19 Code (relating to taxes on colored and uncolored oleomarga-
20 rine, to special occupational taxes on manufacturers, whole-
21 salers, and retailers of oleomargarine, and to packaging, re-
22 porting, and other regulations of oleomargarine) are hereby

1 repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305,
2 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201
3 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305,
4 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201).

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. WILEY (for himself,
Mr. GILLETTE, Mr. MILLER, Mr. BUTLER, Mr. THYE,
Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER,
Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE,
Mr. GUENEY, Mr. MUNDT, Mr. AIKEN, Mr. ECTON,
Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPE-
HART, Mr. JOHNSON of Colorado, Mr. GORDON, Mr.
HUMPHREY, Mr. DONNELL, Mr. FLANDERS, and Mr.
FERGUSON) to the bill (H. R. 2023) to regulate oleo-
margarine, to repeal certain taxes relating to oleo-
margarine, and for other purposes.

APRIL 4 (legislative day, March 18), 1949
Referred to the Committee on Finance and ordered
to be printed

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 11, 1949

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

1 On page 4, line 19, after the word "of" insert "the fore-
2 going provisions of".

3 On page 4, line 23, strike out the word "This" and
4 insert in lieu thereof the following: "The foregoing provisions
5 of this".

6 On page 5, after line 3, add the following new sections:

7 "SEC. 7. Effective on and after the first day of the first
8 month which begins more than ten days after the date of
9 enactment of this Act—

10 "(a) the tax imposed by section 1700 (a) of the
11 Internal Revenue Code (tax on admissions);

1 “(b) the tax imposed by section 1700 (b) of such
2 code (tax on permanent lease or use of boxes or seats) ;

3 “(c) the tax imposed by section 1700 (c) of such
4 code (tax on sales of tickets outside box office) ;

5 “(d) the tax imposed by section 1700 (e) of such
6 code (tax on cabarets, roof gardens, etc.) ;

7 “(e) the tax imposed by section 1710 (a) (1) of
8 such code (tax on dues or membership fees) ;

9 “(f) the tax imposed by section 1710 (a) (2) of
10 such code (tax on initiation fees) ;

11 “(g) the tax imposed by section 2400 of such code
12 (tax on jewelry) ;

13 “(h) the tax imposed by section 2401 of such code
14 (tax on furs) ;

15 “(i) the tax imposed by section 2402 of such code
16 (tax on toilet preparations) ;

17 “(j) the tax imposed by section 3406 (a) (10)
18 of such code (tax on electric light bulbs and tubes) ;

19 “(k) the tax imposed by section 3465 (a) of such
20 code (taxes on telegraph, telephone, radio, and cable
21 facilities) ; and

22 “(l) the taxes imposed by section 3469 of such code
23 (taxes on transportation of persons, and on seating or
24 sleeping accommodations in connection with such
25 transportation) ;

1 shall be determined without regard to the war tax rates
2 specified in section 1650 of such code.

3 “SEC. 8. Effective on and after the first day of the first
4 month which begins more than ten days after the date of
5 enactment of this Act, section 1651 of the Internal Revenue
6 Code (retailers’ excise tax on luggage, purses, handbags,
7 toilet cases, etc.) is hereby repealed.

8 “SEC. 9. For the purposes of section 1657 of the In-
9 ternal Revenue Code (relating to floor stocks refunds on
10 electric light bulbs) and of section 1658 of such code (re-
11 lating to the application of the effective date of rate reduc-
12 tion in the case of telephone, telegraph, etc., services),
13 the term ‘rate reduction date’ means the first day of the
14 first month which begins more than ten days after the date
15 of enactment of this Act.

16 “SEC. 10. Section 302 (b) (2) of the Revenue Act of
17 1943, as amended (period applicable to increase of tax with
18 respect to bowling alleys, billiard and pool tables), is hereby
19 amended by striking out the period at the end thereof and
20 by inserting in lieu thereof the following: ‘, and continuing
21 through June 30, 1949’.”

AMENDMENTS

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

APRIL 11, 1949

Referred to the Committee on Finance and ordered
to be printed

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 18 (legislative day, APRIL 11), 1949

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: At the appropriate place, add the following new section:

1 “SEC. . Effective on and after the first day of the
2 first month which begins more than ten days after the date
3 of enactment of this Act, section 2402 (a) of the Internal
4 Revenue Code, as amended, is amended by inserting before
5 the period at the end thereof a comma and the following:
6 ‘except when sold to any person operating a barber shop,
7 beauty parlor, or similar establishment for use in the opera-
8 tion thereof.’

9 “Effective the same date, section 2402 (b) of the
10 Internal Revenue Code, as amended, is repealed.”

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

APRIL 18 (legislative day, APRIL 11), 1949
Referred to the Committee on Finance and ordered
to be printed

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 18 (legislative day, APRIL 11), 1949

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: At the appropriate place, add the following new section:

1 “SEC. . Effective on the first day of the first month
2 which begins more than ten days after the date of the enact-
3 ment of this Act, section 3406 (a) (4) of the Internal
4 Revenue Code is amended to read as follows:

5 “ ‘ (4) PHOTOGRAPHIC APPARATUS.—Cameras (ex-
6 cept X-ray cameras, and cameras weighing more than
7 four pounds exclusive of lens and accessories), still
8 camera lenses having a focal length of one hundred and
9 twenty millimeters or less, motion picture camera lenses

1 having a focal length of thirty millimeters or less, and
 2 unexposed photographic film in rolls (except (1) film
 3 one hundred and fifty feet or more in length, (2) film
 4 twenty-five feet or more in length of thirty millimeters
 5 or more in width, and (3) X-ray film), 10 per centum.
 6 Any person who purchases unexposed photographic film
 7 that is not subject to the provisions of this subsection
 8 and resells such unexposed film in dimensions subject
 9 to such provisions shall for the purposes of this sub-
 10 section be considered the manufacturer of the film so
 11 resold.' ”

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

APRIL 18 (legislative day, APRIL 11), 1949

Referred to the Committee on Finance and ordered
to be printed

81st CONGRESS
1st Session

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 18 (legislative day, APRIL 11), 1949

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: At the appropriate place, add the following new section:

1 “SEC. . Effective on and after the first day of the
2 first month which begins more than ten days after the date
3 of enactment of this Act, subchapter A of chapter 10 of
4 the Internal Revenue Code (tax on admissions and dues)
5 is amended by adding at the end thereof a new section to
6 read as follows:

7 “SEC. 1705. EXEMPTION OF AGRICULTURAL FAIRS.

8 “Notwithstanding the provisions of section 541 (b)
9 of the Revenue Act of 1941 (terminating certain exemp-
10 tions from admission tax) or any other provision of law,

1 no tax shall be levied under this subchapter in respect of
 2 any admissions to agricultural fairs if no part of the net
 3 earnings thereof inures to the benefit of any stockholders or
 4 members of the association conducting the same, and if the
 5 proceeds therefrom are used exclusively for the improve-
 6 ment, maintenance, and operation of such agricultural fairs
 7 or for the purposes of education and promotion in the in-
 8 terests of agriculture, horticulture, domestic science, the
 9 Future Farmers of America, and 4-H Club activities.'''

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

APRIL 18 (legislative day, APRIL 11), 1949

Referred to the Committee on Finance and ordered
to be printed

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

APRIL 27 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MUNDT to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

1 On page 4, line 19, after the word "of" insert "the
2 foregoing provisions of".

3 On page 4, line 23, strike out the word "this" and insert
4 in lieu thereof the following: "The foregoing provisions of
5 this".

6 On page 5, after line 3, add the following new sections:

7 "SEC. 7. That effective with respect to the period after
8 June 30, 1949—

9 "(a) the tax imposed by section 1700 (a) of the
10 Internal Revenue Code (tax on admissions) ;

1 “(b) the tax imposed by section 1700 (b) of such
2 code (tax on permanent use or lease of boxes or seats) ;

3 “(c) the tax imposed by section 1700 (c) of such
4 code (tax on sales of tickets outside box office) ;

5 “(d) the tax imposed by section 1700 (e) of such
6 code (tax on cabarets, roof gardens, etc.) ;

7 “(e) the tax imposed by section 1710 (a) (1) of
8 such code (tax on dues or membership fees) ;

9 “(f) the tax imposed by section 1710 (a) (2)
10 of such code (tax on initiation fees) ;

11 “(g) the tax imposed by section 2400 of such code
12 (tax on jewelry) ;

13 “(h) the tax imposed by section 2401 of such code
14 (tax on furs) ;

15 “(i) the tax imposed by section 2402 of such code
16 (tax on toilet preparations) ;

17 “(j) the tax imposed by section 3268 of such code
18 (tax on bowling alleys, billiard and pool tables) ;

19 “(k) the tax imposed by section 3406 (a) (10)
20 of such code (tax on electric light bulbs and tubes) ;

21 “(l) the taxes imposed by section 3465 (a) of
22 such code (taxes on telegraph, telephone, radio, and
23 cable facilities) ; and

24 “(m) the taxes imposed by section 3469 of such
25 code (taxes on transportation of persons, and on seat-

1 ing or sleeping accommodations in connection with such
2 transportation) ;
3 shall be determined without regard to the war tax rates
4 specified in section 1650 of such code.”

5 SEC. 2. For the purposes of section 1657 of the Internal
6 Revenue Code (relating to floor stocks refunds on electric
7 light bulbs) and of section 1658 of such code (relating to
8 the application of the effective date of rate reduction in
9 the case of telephone, telegraph, etc., services), the term
10 “rate reduction date” means the 1st day of July 1949.

11 SEC. 3. Effective with respect to the period after June
12 30, 1949, section 1651 of the Internal Revenue Code
13 (retailers’ excise tax on luggage, purses, handbags, toilet
14 cases, etc.) is hereby repealed.

15 SEC. 4. (a) Section 2400 of the Internal Revenue Code
16 (tax on jewelry, etc.) is hereby amended by adding at the
17 end thereof the following new sentence: “The tax imposed
18 by this section shall not apply to articles sold at retail for
19 less than \$25.”

20 (b) The amendment made by subsection (a) of this
21 section shall apply only to articles sold on or after July 1,
22 1949.

23 SEC. 5. (a) Section 3406 (a) (4) of the Internal
24 Revenue Code (manufacturers’ excise tax on photographic
25 apparatus) is hereby amended by striking out “25 per cen-

1 tum” and inserting in lieu thereof “10 per centum”, and by
2 striking out “15 per centum” and inserting in lieu thereof
3 “10 per centum”.

4 (b) The amendments made by subsection (a) of this
5 section shall apply only to articles sold on or after July 1,
6 1949.

81ST CONGRESS
1ST SESSION

H. R. 2023

AMENDMENTS

Intended to be proposed by Mr. MURDER to the
bill (H. R. 2023) to regulate oleomargarine,
to repeal certain taxes relating to oleomarga-
rine, and for other purposes.

APRIL 27 (legislative day, APRIL 11), 1949
Ordered to lie on the table and to be printed

REPEALING THE TAXES ON OLEOMARGARINE

APRIL 28 (legislative day, APRIL 11), 1949.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 2023]

The Committee on Finance, to whom was referred the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

LEGISLATIVE BACKGROUND OF REGULATION OF OLEOMARGARINE
THROUGH THE TAXING POWER

The act of August 2, 1886 (24 Stat. 209), defined "butter" and "oleomargarine" and imposed the following taxes on oleomargarine: Manufacturers, \$600; wholesalers, \$480; retailers, \$48; domestic oleomargarine, 2 cents per pound; and imported oleomargarine, 15 cents per pound. This tax statute contained packaging and labeling provisions and, in addition to providing for the forfeiture of unstamped oleomargarine, it provided for the forfeiture of oleomargarine which was adjudged to be deleterious to the public health.

It was clear from its inception that this exercise of the taxing power was primarily designed to achieve certain regulatory effects in the field of competition between oleomargarine and butter. In opening the Senate debate on this 1886 act, Senator Miller said:

I resort to no subterfuges in this case, Mr. President. My object in bringing forward this bill and supporting it is, not to secure a large increase to the revenue of our Government; but I have sought to invoke the taxing power of the Government in order that under it the Government might take absolute control of this manufacture, might properly regulate it, and so regulate and control it that it should be carried on in a legitimate way and that the product should be sold to the consumer in all cases for what it is, and it is for that purpose that the friends of this measure have invoked the taxing power of the Government (Congressional Record, July 17, 1886, p. 7073).

The present difference in tax treatment between yellow oleomargarine and other oleomargarine was inserted in the law by the act of May 9, 1902 (32 Stat. 193). The purpose of this differential tax treatment was to regulate further the competition of oleomargarine and butter. This act imposed a 10-cents-per-pound tax on oleomargarine artificially colored to look like butter.

By the act of March 4, 1931 (46 Stat. 1549), the 10-cent tax was made to apply to all oleomargarine which met a statutory definition of "yellow," whether or not colored artificially.

REVENUES

Total collections under all of the internal revenue taxes on oleomargarine have been estimated by the Bureau of the Budget for the fiscal years 1949 and 1950 at \$16,000,000 for each year. Actual collections for the first 9 months of the fiscal year 1949 amount to \$13,401,608. The following table gives a break-down of the various internal-revenue taxes on oleomargarine for the fiscal years 1947 and 1948:

Internal-revenue taxes on oleomargarine

	Rates, present law	Collections (thousands of dollars) (actual), fiscal years—	
		1947	1948
Excise taxes:			
Colored oleomargarine.....	10 cents per pound.....	2, 132	5, 290
Uncolored oleomargarine.....	¼ cent per pound.....	1, 441	2, 066
Total excise taxes.....		3, 573	7, 356
Special taxes:			
Manufacturers.....	\$600 per year.....	34	23
Wholesale dealers:			
Colored oleomargarine.....	\$480 per year.....	74	132
Uncolored oleomargarine.....	\$200 per year.....	364	424
Retail dealers:			
Colored oleomargarine.....	\$48 per year.....	224	411
Uncolored oleomargarine.....	\$6 per year.....	1, 604	1, 460
Total special taxes.....		2, 301	2, 450
Total oleomargarine taxes.....		5, 874	9, 806

POWERS OF THE FEDERAL TRADE COMMISSION TO REGULATE COMPETITION BETWEEN OLEOMARGARINE AND BUTTER

Competition between yellow oleomargarine and butter in interstate commerce falls within the scope of the jurisdiction of the Federal Trade Commission to prevent unfair methods of competition and unfair or deceptive acts or practices. Section 5 (a) of the Federal Trade Commission Act (title 15, U. S. C., sec. 45 (a)) states:

Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful.

Misrepresentation of oleomargarine as butter is prohibited by this section, and in the past the Federal Trade Commission has proceeded against labeling and advertising practices which were deceptive in confusing oleomargarine with butter.

PROTECTION AGAINST ADULTERATION AND MISBRANDING OF OLEOMARGARINE THROUGH THE FOOD, DRUG, AND COSMETIC ACT

The Federal Food, Drug, and Cosmetic Act in its present form prohibits the introduction of any adulterated or misbranded food in interstate commerce, and proffered delivery or receipt in interstate commerce of any adulterated or misbranded food.

On the basis of the testimony presented to your committee on this bill there does not appear to be any doubt but that the standards provided by the Food, Drug, and Cosmetic Act (Public Law 717, 75th Cong., 3d sess., June 23, 1939; U. S. C., title 21, sec. 301 et seq.) are adequate to protect against adulterated oleomargarine in interstate commerce.

With respect to the misbranding of food the act prohibits, in section 301 (k)—

the alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to, a food, drug, device, or cosmetic, if such act is done while such article is held for sale after shipment in interstate commerce and results in such article being misbranded.

The United States Supreme Court held, in *U. S. v. Sullivan*, (332 U. S. 689), with reference to section 301 (k) that—

* * * the language used by Congress broadly and unqualifiedly prohibits misbranding articles held for sale after shipment in interstate commerce, without regard to how long after the shipment the misbranding occurred, how many intrastate sales had intervened, or who had received the articles at the end of the interstate shipment (332 U. S. 689, 696).

Under the provisions of the Food, Drug, and Cosmetic Act the Federal Security Administrator, who is charged with its administration, has assumed jurisdiction over oleomargarine moving in interstate commerce. The Administrator has established a standard of identity for oleomargarine in accordance with provisions of section 401 of the act, and oleomargarine in interstate commerce is regulated in accordance with this standard of identity.

EXPLANATION OF PROVISIONS OF THE BILL

The House bill (H. R. 2023) repeals the internal-revenue taxes on oleomargarine and permits the oleomargarine interests to sell their product in harmless colors of their own choice in free competition with butter unhindered by the burden of discriminatory Federal taxation. However, the bill eliminates any possibility that the consumer of table spreads will not know what he is getting. The competition between the two principal table spreads for consumer preference is to be free of confusion as to identity. At the present time oleomargarine which has moved in interstate commerce is required to meet the exacting requirements of the Federal Food, Drug, and Cosmetic Act with respect to labeling. There is little danger that the consumer of interstate oleomargarine will be confused as to the product he obtains. There remain however two principal levels at which confusion of identity may occur: One is at the restaurant level where the applicability of the Federal Food, Drug, and Cosmetic Act is uncertain, and the other exists with respect to oleomargarine produced and sold in the same State. The House bill (H. R. 2023) brings the regulation of colored oleomargarine squarely within the

Federal Food, Drug, and Cosmetic Act, irrespective of the source of the oleomargarine, and specifically regulates the restaurant transaction of serving colored oleomargarine. Thus, intrastate colored oleomargarine would be held to the same standards respecting purity and labeling as colored oleomargarine which is shipped in interstate channels.

Of perhaps even greater importance than the elimination of the possibility for confusion of identity between colored oleomargarine and butter, the bill makes possible the effective regulation of colored oleomargarine and butter moving in interstate channels.

Oleomargarine is not dependent upon local supply of raw materials as is butter, which depends upon an adequate supply of fluid milk and cream, and it would be entirely feasible and practicable to establish manufactories in each of the several States to avoid the effects of the Federal law. It is clear that close regulation of colored oleomargarine from interstate producers, while oleomargarine of local production is left free of control, would in practical effect give local producers a great competitive advantage. The substitute for butter or sale as butter of colored oleomargarine not clearly identified as such, or which is otherwise adulterated or misbranded, would not only depress the interstate market in butter but would also bring colored oleomargarine which fully complies with Federal regulation into disrepute and depress the interstate market for it.

Without regulation of colored oleomargarine from all sources there cannot be effective regulation of that part of the colored oleomargarine which comes from out-of-State sources. As a matter of enforcement it would be difficult, and in some cases impossible, to prove that colored oleomargarine substituted or sold for butter had been previously in interstate commerce. The regulation of the whole is necessary in order to provide effective regulation of that part which originates from outside the State of consumption.

The regulation by Congress under the commerce power of purely intrastate transactions is constitutionally permissible if such regulation is reasonably necessary to protect interstate commerce and to make its regulation effective.

Following the *Shreveport Rate cases* (234 U. S. 342), in which it was held that railroad rates of an admittedly intrastate character and fixed by authority of the State might still be revised by the Federal Government because of the economic effects which they had upon interstate commerce, the Supreme Court has frequently sustained Federal regulations under the commerce power when applied to intrastate transactions (*Mulford v. Smith*, 307 U. S. 38; *United States v. Darby*, 312 U. S. 100; *Currin v. Wallace*, 306 U. S. 1; *United States v. Wrightwood Dairy Co.*, 315 U. S. 110; *Wickard v. Filburn*, 317 U. S. 102).

In *United States v. Wrightwood Dairy Co.*, *supra* (1942), the issue was raised as to whether a Chicago milk dealer who purchased milk within the State and sold it locally could be properly subjected to the provisions of the Agricultural Marketing Agreement Act of 1937 for the purpose of setting minimum prices. The Court in upholding this exertion of the Federal power states:

* * * the national power to regulate the price of milk moving interstate into the Chicago, Ill., marketing area, extends to such control over intrastate transactions as is necessary and appropriate to make the regulation of the interstate commerce effective; and that it includes authority to make like regulations for

the marketing of intrastate milk whose sale and competition with interstate milk affects its price structure so as in turn to affect adversely the congressional regulation (p. 121).

In defining the scope of the commerce power the Court had this to say:

The commerce power is not confined in its exercise to the regulation of commerce among the States. It extends to those activities intrastate which so affect interstate commerce or the exertion of the power of Congress over it, as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the granted power to regulate interstate commerce (p. 119).

TECHNICAL PROVISIONS OF THE BILL WITH EXPLANATION OF THE COMMITTEE AMENDMENTS

The first section of the bill (H. R. 2023) repeals section 2301 of the Internal Revenue Code, which sets the rate of tax on oleomargarine at one-fourth cent per pound and at 10 cents per pound if yellow in color, declares by whom and how the tax shall be paid, and the manner of assessment.

Section 2 repeals the occupational taxes on oleomargarine manufacturers, wholesalers, and retailers and provides that such repeal shall not entitle any manufacturer, wholesaler, or retailer to a refund of any occupational tax heretofore paid.

The committee makes no amendments to the first two sections of the bill.

Section 3 (a) comprises a declaration and finding that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such, or which is otherwise adulterated or misbranded, burdens interstate commerce by depressing the market for butter and for oleomargarine or margarine which is clearly identified and which is neither adulterated nor misbranded. This burden exists irrespective of whether such oleomargarine originates from an interstate source or from the State or Territory in which it is sold. The committee makes no amendment to the declaration and finding contained in this subsection.

Section 3 (b) amends section 301 of the Federal Food, Drug, and Cosmetic Act by adding a new paragraph thereto which prohibits the serving of colored oleomargarine or colored margarine in violation of the new section 407 (b) of such act. Section 407 (b) regulates not only the public eating place transaction of serving colored oleomargarine or colored margarine but also places certain requirements upon public eating places which possess colored oleomargarine or colored margarine in a form ready for serving. A violation therefore can occur without an actual serving if the public eating place has in its possession colored oleomargarine or colored margarine in a form ready for serving without complying with the provisions of 407 (b). The committee amendment to section 3 (b) clarifies this point and brings the amendment made in section 3 (b) in line with the new section 407 (b) of the Federal Food, Drug, and Cosmetic Act. Paragraph (m) of section 301 of the Federal Food, Drug, and Cosmetic Act without the committee amendment reads as follows:

(m) The serving of colored oleomargarine or colored margarine in violation of section 407 (b).

With the committee amendment, which is italicized, it will read:

(m) The serving *or the possessing in a form ready for serving* of colored oleomargarine or colored margarine in violation of section 407 (b).

Section 3 (e) amends chapter IV of the Federal Food, Drug, and Cosmetic Act by adding thereto a new section (see. 407). Subsection (a) of section 407 subjects colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced to the same controls under the act as if it had been introduced in interstate commerce. Thus, intrastate oleomargarine or margarine, if it is colored as defined in 407 (d), will be held to the same standards respecting labeling and purity as colored oleomargarine or colored margarine which is shipped in interstate channels. The committee makes no amendments to this subsection.

Subsection (b) of section 407 specifically regulates the use of colored oleomargarine or colored margarine by public eating places. Subsection (b), as it passed the House, appears to require persons who possess colored oleomargarine or colored margarine in a form ready for serving at public eating places to (1) post a notice that oleomargarine or margarine is served in a prominent and conspicuous place in the establishment, or (2) to place such a notice on the menu in type or lettering not smaller than that normally used to designate other food items, or (3) to keep such oleomargarine or margarine only in a form which is molded and shaped so as to have three sides (exclusive of the ends). Subsection (b) of section 407 would appear further to require that persons who serve colored oleomargarine or margarine at a public eating place (1) cause each separate serving thereof to bear labeling, or to be accompanied by labeling, identifying it as oleomargarine or margarine, or (2) cause each separate serving thereof to be triangular in shape.

The committee feels that subsection (b) in the form in which it passed the House is somewhat ambiguous. Although the foregoing would appear to be what the language of the subsection says, other interpretations are possible and have been offered. The committee amendment seeks therefore to clarify subsection (b), to make its terms explicit, and eliminate the possibility for misinterpretation and confusion. Since the requirements of 407 (b) are enforceable by criminal actions as well as suits for injunction (secs. 302 and 303, Federal Food, Drug, and Cosmetic Act), it is very essential that the language of this subsection be clear and unmistakable.

Subsection (b) as amended by your committee requires persons who possess colored oleomargarine or colored margarine in a form ready for serving at public eating places to (1) post a notice that oleomargarine or margarine is served in a prominent and conspicuous place in the establishment, or (2) place such a notice on the menu in type or lettering not smaller than that normally used to designate other food items. Persons who shall serve colored oleomargarine or colored margarine at a public eating place are required to (1) cause each separate serving thereof to bear labeling, or to be accompanied by labeling, identifying it as oleomargarine or margarine, or (2) cause each separate serving thereof to be triangular in shape.

Subsection (e) of section 407 exempts colored oleomargarine or margarine from most of the labeling requirements of section 403 of the act at the time of service at public eating places, provided com-

pliance is had with the requirements of subsection (b) discussed above. Exception is made of section 403 (a) and 403 (f). By section 403 (a) a food becomes misbranded if its labeling is false or misleading in any particular. Section 403 (f) specifies that identifying marks shall be "prominently placed" on the food—

with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

These provisions would require that the word "oleomargarine" or "margarine" appear in some contrasting color either on the receptacle, or on a wrapping, or on a slip placed upon the individual pat or serving. The requirement that each separate serving bears labeling identifying it as oleomargarine or margarine is not met by imprinting the word oleomargarine or margarine on the individual pat constituting the serving. The yellow color makes it difficult to read the imprint and such pats tend to melt at room temperature. The committee makes no amendment to this subsection.

Subsection (d) of section 407 defines colored oleomargarine or colored margarine. The definition is drawn from the Oleomargarine Tax Act. If it is any color other than one within the defined ranges the provisions of the amendment will not apply. The committee makes no amendment to this subsection.

Section 4 of the bill provides for the transfer of funds available for enforcement of the Oleomargarine Tax Act to the Food and Drug Administration. These funds will be made available to that Administration in an amount determined to be proper by the Director of the Bureau of the Budget. There is to be no lapse of time between repeal of the tax statute and enforcement of the controls provided in the amended Federal Food, Drug, and Cosmetic Act. The committee makes no amendment to this section.

Section 5 of the bill, as it passed the House, declares that—

this Act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

The committee feels that as a matter of policy this section seeks to and should accord to the various States and Territories the right to ban the possession, sale, or serving of colored oleomargarine or colored margarine, or to place upon its use or sale additional requirements not in conflict with the Federal law. The language of section 5, however, as it passed the House is sufficiently broad to permit a State or Territory to circumvent the Federal law entirely and to permit the completely unregulated use and sale of colored oleomargarine or colored margarine within its jurisdiction. To permit this would defeat the policy and purpose upon which the Federal regulation is predicated. The committee amends section 5, therefore, to read as follows:

SEC. 5. Nothing in this Act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory.

The committee feels that section 5, as amended, reserves to the States and Territories the power to regulate colored oleomargarine or colored margarine in harmony with the Federal law but does not grant to the States and Territories the power to destroy the effectiveness of the Federal law which is designed to provide a minimum of

protection to consumers of butter and colored oleomargarine, and to assure honesty, fair dealing, and an absence of all deception in the competitive sale of such products.

The committee amendment to section 6 of the bill makes the act effective on July 1, 1949. The provisions of section 6 as it passed the House made the repeal of the special occupational taxes on manufacturers, wholesalers, and retailers of oleomargarine effective 30 days after enactment, or July 1, 1949, whichever date is earlier, and denies refund of taxes previously paid. This might produce inequitable results. The special-tax year commences July 1, and the tax is due for the whole year in case of one in business during the month of July, and for the balance of the year in case of one commencing business after the month of July. Therefore, if the special taxes should be repealed as of June 1, 1949, a person who prior thereto paid the tax for the current special-tax year ending June 30, 1949, will have paid a tax (which is not refundable) for the month of June; whereas a person commencing business in June would not incur any special-tax liability for the remainder of the current special-tax year. In order to avoid this type of inequity the committee feels that the act should have one effective date and that it should be July 1, 1949.

In the opinion of your committee the bill (H. R. 2023), as amended, is in the public interest and should be enacted without delay.



Calendar No. 288

81ST CONGRESS
1ST SESSION

H. R. 2023

[Report No. 309]

IN THE SENATE OF THE UNITED STATES

APRIL 2 (legislative day, MARCH 18), 1949

Read twice and referred to the Committee on Finance

APRIL 28 (legislative day, APRIL 11), 1949

Reported by MR. GEORGE, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2301 of the Internal Revenue Code (relating
4 to the tax on oleomargarine) is repealed.

5 SEC. 2. Part I of subchapter A of chapter 27 of the
6 Internal Revenue Code (relating to the occupational tax on
7 manufacturers, wholesalers, and retailers of oleomargarine)
8 is repealed: *Provided*, That such repeal shall not be con-
9 strued to entitle any manufacturer, wholesaler, or retailer
10 to a refund of any occupational tax heretofore paid.

11 SEC. 3. (a) The Congress hereby finds and declares that

1 the sale, or the serving in public eating places, of colored
2 oleomargarine or colored margarine without clear identifi-
3 cation as such or which is otherwise adulterated or mis-
4 branded within the meaning of the Federal Food, Drug,
5 and Cosmetic Act depresses the market in interstate com-
6 merce for butter and for oleomargarine or margarine clearly
7 identified and neither adulterated nor misbranded, and
8 constitutes a burden on interstate commerce in such articles.
9 Such burden exists, irrespective of whether such oleo-
10 margarine or margarine originates from an interstate source
11 or from the State in which it is sold.

12 (b) Section 301 of the Federal Food, Drug, and Cos-
13 metic Act, as amended (21 U. S. C. 331), is amended by
14 adding a new paragraph as follows:

15 “(m) The serving *or the possessing in a form ready*
16 *for serving* of colored oleomargarine or colored margarine
17 in violation of section 407 (b).”

18 (c) Chapter IV of such Act, as amended (21 U. S. C.
19 341 and the following), is amended by adding a new sec-
20 tion as follows:

21 “COLORED OLEOMARGARINE

22 “SEC. 407. (a) Colored oleomargarine or colored mar-
23 garine which is sold in the same State or Territory in which
24 it is produced shall be subject in the same manner and to

1 the same extent to the provisions of this Act as if it had
2 been introduced in interstate commerce.

3 “(b) No person shall possess in a form ready for serv-
4 ing colored oleomargarine or colored margarine at a public
5 eating place unless ~~(1)~~ a notice that oleomargarine or
6 margarine is served is displayed prominently and conspicu-
7 ously in such place and in such manner as to render it likely
8 to be read and understood by the ordinary individual being
9 served in such eating place or is printed or is otherwise set
10 forth on the menu in type or lettering not smaller than that
11 normally used to designate the serving of other food ~~items;~~
12 ~~and no items.~~ No person shall serve colored oleomargarine or
13 colored margarine at a public eating place, whether or not
14 any charge is made therefor, unless (1) each separate serving
15 bears or is accompanied by labeling identifying it as oleo-
16 margarine or margarine, or (2) ~~such colored oleomargarine~~
17 ~~or colored margarine is molded and shaped in such manner~~
18 ~~so as to have three sides (exclusive of the ends) and no~~
19 ~~person shall serve colored oleomargarine or colored margarine~~
20 ~~at a public eating place, whether or not a charge is made~~
21 ~~therefor, unless each separate serving thereof is triangular in~~
22 ~~shape.~~

23 “(c) Colored oleomargarine or colored margarine when

1 served with meals at a public eating place shall at the time
2 of such service be exempt from the labeling requirements
3 of section 403 (except (a) and 403 (f)) if it complies
4 with the requirements of subsection (b) of this section.

5 “(d) For the purpose of this section colored oleomar-
6 garine or colored margarine is oleomargarine or margarine
7 having a tint or shade containing more than one and six-
8 tenths degrees of yellow, or of yellow and red collectively,
9 but with an excess of yellow over red, measured in terms of
10 Lovibond tintometer scale or its equivalent.”

11 SEC. 4. So much of the unexpended balances of appro-
12 priations, allocations, or other funds (including funds avail-
13 able for the fiscal year ending June 30, 1950) for the use
14 of the Bureau of Internal Revenue of the Treasury Depart-
15 ment in the exercise of functions under the Oleomargarine
16 Tax Act (26 U. S. C. 2300 subchapter A), as the Director
17 of the Bureau of the Budget may determine, shall be trans-
18 ferred to the Federal Security Agency (Food and Drug
19 Administration) for use in the enforcement of this Act.

20 ~~SEC. 5. This Act shall not abrogate or nullify any~~
21 ~~statute of any State or Territory now in effect or which~~
22 ~~may hereafter be enacted.~~

23 *SEC. 5. Nothing in this Act shall be construed as author-*
24 *izing the possession, sale, or serving of colored oleomargarine*

1 *or colored margarine in any State or Territory in contra-*
2 *vention of the laws of such State or Territory.*

3 SEC. 6. This Act shall become effective ~~thirty days after~~
4 ~~its enactment except that section 2 of this Act shall become~~
5 ~~effective thirty days after its enactment or July 1, 1949,~~
6 ~~whichever date is earlier on July 1, 1949.~~

Passed the House of Representatives April 1, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST SESSION

H. R. 2023

[Report No. 309]

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

APRIL 2 (legislative day, MARCH 18), 1949

Read twice and referred to the Committee on Finance

APRIL 28 (legislative day, APRIL 11), 1949

Reported with amendments

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

MAY 2 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. FREAR to the bill (H. R. 2023)
to regulate oleomargarine, to repeal certain taxes relating
to oleomargarine, and for other purposes, viz:

1 On page 2, line 15, strike out all down through line 16
2 and insert the following:

3 “(m) The sale or offering for sale of colored oleo-
4 margarine or colored margarine, or the possession or serv-
5 ing of colored oleomargarine or colored margarine in viola-
6 tion of sections 407 (b), or 407 (c).”

7 On page 3, between lines 2 and 3, insert the following
8 new subsection:

9 “(b) On and after January 1, 1950, no person shall
10 sell, or offer for sale, colored oleomargarine or colored

1 margarine unless it is manufactured, prepared, molded,
2 shaped, and packaged so that (1) the net weight of the
3 contents of the retail package shall not exceed one pound,
4 (2) the contents of each package is divided into four parts,
5 and (3) each part of the contents of such package is manu-
6 factured, prepared, molded, and shaped in such manner
7 as to have three sides (exclusive of the ends) and shall
8 be similar in shape and size to not more than one other
9 such part."

10 On page 3, lines 3 and 23, redesignate subsections (b)
11 and (c) as subsections (c) and (d), respectively.

12 On page 4, line 5, redesignate subsection (d) as sub-
13 section (e).

H. R. 2023

AMENDMENTS

Intended to be proposed by Mr. FREAR to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

MAY 2 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

MAY 3 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. WILEY to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

1 On page 4, line 19, after the word "of" insert "the
2 foregoing provisions of".

3 On page 5, line 3, strike out the word "This" and insert
4 in lieu thereof the following: "The foregoing provisions of
5 this".

6 On page 5, after line 6, add the following new sections:

7 "SEC. 7. Effective with respect to the period after June
8 30, 1949, the increased taxes imposed under section 1650
9 of the Internal Revenue Code under the heading 'war tax

1 rate' are hereby repealed with respect to all items taxable
2 under the following sections of the Internal Revenue Code:

3 “(a) Section 1700 (a) (tax on admissions) ;

4 “(b) Section 1700 (b) (tax on permanent use or
5 lease of boxes or seats) ;

6 “(c) Section 1700 (c) (tax on sales of tickets outside
7 box office) ;

8 “(d) Section 1700 (e) (tax on cabarets, roof gardens,
9 etc.) ;

10 “(e) Section 1710 (a) (1) (tax on dues or member-
11 ship fees) ;

12 “(f) Section 1710 (a) (2) (tax on initiation fees) ;

13 “(g) Section 2400 (tax on jewelry) ;

14 “(h) Section 2401 (tax on furs) ;

15 “(i) Section 2402 (tax on toilet preparations) ;

16 “(j) Section 3268 (tax on billiard and pool tables and
17 bowling alleys) ;

18 “(k) Section 3406 (a) (10) (tax on electric light
19 bulbs and tubes) ;

20 “(l) Section 3465 (a) (1) (A) (tax on telephone,
21 long distance) ;

22 “(m) Section 3465 (a) (1) (B) (tax on domestic
23 telegraph, cable, or radio dispatches) ;

24 “(n) Section 3465 (a) (2) (A) (tax on leased
25 wires, etc.) ;

1 “(o) Section 3465 (a) (2) (B) (tax on wire and
2 equipment service) ;

3 “(p) Section 3465 (a) (3) (tax on local telephone
4 service) ;

5 “(q) Section 3469 (a) (tax on transportation of
6 persons) ;

7 “(r) Section 3469 (c) (tax on seats, berths, etc.).”

8 “SEC. 8. Section 1700 (b) (1) of the Internal Revenue
9 Code (tax on permanent use or lease of box seats) is
10 amended by striking out ‘11 per centum’ and inserting in
11 lieu thereof ‘10 per centum’.

12 “SEC. 9. Section 1700 (c) (1) of the Internal Revenue
13 Code (tax on sales outside box office) is amended by strik-
14 ing out ‘11 per centum’ and inserting in lieu thereof ‘10
15 per centum’.

16 “SEC. 10. Section 1801 of the Internal Revenue Code
17 (tax on corporate securities) is amended by striking out ‘11
18 cents’ and inserting in lieu thereof ‘10 cents’.

19 “SEC. 11. Section 1802 (a) of the Internal Revenue
20 Code (relating to taxes on capital stock issues) is amended
21 by striking out ‘11 cents’ and inserting in lieu thereof ‘10
22 cents’ and by striking out ‘3 cents’ and inserting in lieu
23 thereof ‘2 cents’.

24 “SEC. 12. Section 1802 (b) of the Internal Revenue
25 Code (tax on capital stock transfers) is amended by strik-

1 ing out '5 cents' and inserting in lieu thereof '4 cents' and
2 by striking out '6 cents' and inserting in lieu thereof '5 cents'.

3 "SEC. 13. Section 1804 of the Internal Revenue Code
4 (tax on insurance policies) is amended by striking out '4
5 cents' and inserting in lieu thereof '3 cents'.

6 "SEC. 14. Section 2700 (a) of the Internal Revenue
7 Code (tax on pistols and revolvers) is amended by striking
8 out '11 per centum' and inserting in lieu thereof '10 per
9 centum'.

10 "SEC. 15. Section 3407 of the Internal Revenue Code
11 (tax on firearms, shells, and cartridges) is amended by strik-
12 ing out '11 per centum' and inserting in lieu thereof '10
13 per centum'.

14 "SEC. 16. Section 3411 of the Internal Revenue Code
15 (tax on electrical energy) is amended by striking out '3 $\frac{1}{3}$
16 per centum' and inserting in lieu thereof '3 per centum'.

17 "SEC. 17. Section 3412 (a) of the Internal Revenue
18 Code (tax on gasoline) is amended by striking out '1 $\frac{1}{2}$ cents'
19 and inserting in lieu thereof '1 cent'.

20 "SEC. 18. Section 3413 of the Internal Revenue Code
21 (tax on lubricating oils) is amended by striking out '6 cents'
22 and inserting in lieu thereof '4 cents'.

23 "SEC. 19. Section 3460 (a) of the Internal Revenue
24 Code (tax on transportation of oil by pipeline) is amended

1 by striking out '4 $\frac{1}{2}$ per centum' and inserting in lieu thereof
2 '4 per centum'.

3 "SEC. 20. Section 3481 (a) of the Internal Revenue
4 Code (tax on transfer of bonds) is amended by striking out
5 '5 cents' and inserting in lieu thereof '4 cents'.

6 "SEC. 21. Section 3482 of the Internal Revenue Code
7 (tax on conveyances) is amended by striking out '55 cents'
8 and inserting in lieu thereof '50 cents'.

9 "SEC. 22. Section 1850 (a) of the Internal Revenue
10 Code (tax on safe deposit boxes) is amended by striking out
11 '20 per centum' and inserting in lieu thereof '10 per centum'.

12 "SEC. 23. Section 3400 (a) (1) of the Internal Revenue
13 Code (tax on tires) is amended by striking out '5 cents'
14 and inserting in lieu thereof '2 $\frac{1}{4}$ cents'.

15 "SEC. 24. Section 3400 (a) (2) of the Internal Revenue
16 Code (tax on inner tubes) is amended by striking out
17 '9 cents' and inserting in lieu thereof '4 cents'.

18 "SEC. 25. Section 1701 of the Internal Revenue Code
19 (exemptions from admission tax for (a) religious, educa-
20 tional or charitable entertainments, (b) agricultural fairs,
21 and (c) certain concerts) shall apply with respect to
22 amounts paid on or after July 1, 1949.

23 "SEC. 26. Section 1701 of the Internal Revenue Code

1 (exemptions from admission tax) is amended by adding a
2 new paragraph as follows:

3 “ ‘(d) NATIONAL PARKS AND MONUMENTS.—Any
4 admissions to the national parks and monuments and other
5 areas in the national park system, charged and collected with
6 the approval of the Secretary of the Interior; and any admis-
7 sions charged for entrance to Carlsbad Caverns and any fee
8 charged for guide service therein.’

9 “SEC. 27. Section 1710 (a) (1) of the Internal
10 Revenue Code (tax on dues or membership fees) is amended
11 by striking out ‘11 per centum’ and inserting in lieu thereof
12 ‘10 per centum’ and by striking out ‘\$10 per year’ and in-
13 serting in lieu thereof ‘\$25 per year’.

14 “SEC. 28. Section 1710 (a) (2) of the Internal
15 Revenue Code (tax on initiation fees) is amended by strik-
16 ing out ‘11 per centum’ and inserting in lieu thereof ‘10 per
17 centum’ and by striking out ‘\$10 per year’ and inserting in
18 lieu thereof ‘\$25 per year’.

19 “SEC. 29. Section 3403 (a) of the Internal Revenue
20 Code (tax on trucks and buses) is amended by striking out
21 ‘5 per centum’ and inserting in lieu thereof ‘2 per centum’.

22 “SEC. 30. Section 3403 (b) of the Internal Revenue
23 Code (tax on automobiles) is amended by striking out ‘7 per
24 centum’ and inserting in lieu thereof ‘3 per centum’.

1 “SEC. 31. Section 3403 (c) of the Internal Revenue
2 Code (tax on automotive parts and accessories) is amended
3 by striking out ‘5 per centum’ and inserting in lieu thereof
4 ‘2 per centum’.

5 “SEC. 32. Section 3403 (e) of the Internal Revenue
6 Code (adjustment of tax) is amended by striking out ‘5 per
7 centum’ and inserting in lieu thereof ‘2 per centum’ and by
8 striking out ‘7 per centum’ and inserting in lieu thereof
9 ‘3 per centum.’

10 “SEC. 33. Section 3404 of the Internal Revenue Code
11 (tax on radios, phonographs, phonograph records, and musi-
12 cal instruments) is amended by striking out ‘10 per centum’
13 and inserting in lieu thereof ‘5 per centum’ and by striking
14 out paragraphs (c) and (d) of the said section (tax on
15 phonograph records and musical instruments).

16 “SEC. 34. Section 3405 of the Internal Revenue Code
17 (tax on refrigerators and air conditioners) is amended by
18 striking out ‘10 per centum’ and inserting in lieu thereof
19 ‘5 per centum’.

20 “SEC. 35. Section 3409 (a) of the Internal Revenue
21 Code (taxes on matches) is amended to read as follows:

22 “‘SEC. 3409. (a) MANUFACTURERS’ TAX.—There
23 shall be imposed on fancy wooden matches and wooden
24 matches having a stained, dyed, or colored stick or stem,

1 packed in boxes or in bulk, sold by the manufacturer, pro-
2 ducer, or importer, a tax of 5 cents per one thousand
3 matches.’

4 “SEC. 36. Section 3465 (a) (1) (A) of the Internal
5 Revenue Code (tax on telephone messages) is amended by
6 striking out ‘24 cents’ and inserting in lieu thereof ‘50
7 cents’ and by striking out ‘20 per centum’ and inserting
8 in lieu thereof ‘10 per centum’.

9 “SEC. 37. Section 3465 (a) (1) (B) of the Internal
10 Revenue Code (tax on telegraph, cable, and radio mes-
11 sages) is amended by striking out ‘15 per centum’ and
12 inserting in lieu thereof ‘5 per centum’.

13 “SEC. 38. Section 3465 (a) (2) (A) of the Internal
14 Revenue Code (tax on leased wires) is amended by strik-
15 ing out ‘15 per centum’ and inserting in lieu thereof ‘5
16 per centum’.

17 “SEC. 39. Section 3465 (a) (3) of the Internal Reve-
18 nue Code (tax on local telephone service) is repealed.

19 “SEC. 40. Section 3406 of the Internal Revenue Code
20 (tax on sporting goods; luggage; electric, gas, and oil
21 appliances; photographic apparatus; electric signs (sus-
22 pended); business and store machines; rubber articles
23 (suspended); washing machines (suspended); optical
24 equipment (suspended); and electric light bulbs and tubes)
25 is repealed.

1 “SEC. 41. Section 2400 of the Internal Revenue Code
2 (tax on jewelry, etc.) is repealed.

3 “SEC. 42. Section 2401 of the Internal Revenue Code
4 (tax on furs) is repealed.

5 “SEC. 43. Section 2402 of the Internal Revenue Code
6 (tax on toilet preparations) is repealed.

7 “SEC. 44. Section 3469 of the Internal Revenue Code
8 (tax on transportation of persons) is repealed.

9 “SEC. 45. Section 3268 of the Internal Revenue Code
10 (tax on bowling alleys and billiard and pool tables) is
11 repealed.

12 “SEC. 46. Section 3475 of the Internal Revenue Code
13 (tax on transportation of property) is repealed.

14 “SEC. 47. Section 1651 of the Internal Revenue Code
15 (tax on luggage, etc.) is repealed.

16 “SEC. 48. Section 3466 (b) of the Internal Revenue
17 Code is amended by striking out the last sentence of said
18 subsection.

19 “SEC. 49. Sections 7-48 of this Act shall be effective
20 with respect to the period after June 30, 1949.”

H. R. 2023

AMENDMENTS

Intended to be proposed by Mr. WHEX to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

MAY 3 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

Mr. WHERRY. Mr. President, we are now ready to consider Calendar 286, Senate bill 55; are we not?

The PRESIDENT pro tempore. Yes. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, may we have a brief explanation of the bill?

Mr. O'MAHONEY. Mr. President, this measure, which authorizes the completion of the Eden Valley project, deals with the last of the Great Plains projects which were undertaken in 1940. They were interrupted by reason of the war. Later the War Production Board was able to allow several of them to proceed. Three were left: The Eden Valley project, in Wyoming; the Mancos project, in Colorado; and the Angostura project, in South Dakota.

During the last session the Mancos project was reauthorized. It is necessary to reauthorize these projects.

The feeling of the committee in reporting the bill was that the Government owes a certain moral obligation to the settlers upon this project, and thus should authorize the completion of the project.

It involves something less than 20,000 acres of land, of which 9,000 are privately owned, all of it being in small tracts. About 10,000 acres of public land are involved. The public land was ceded to the State of Wyoming under the old Carey Act or law, many years ago. That law provided that public land would be assigned to the State in the arid-land areas in which water companies were established to provide irrigation; and then the State was authorized to convey the land to settlers, who agreed under contract to buy the water from the private irrigation companies.

In this project, as in practically every other such Carey Act project, the private works were not adequate to do the job. In 1940 the Federal Government undertook to complete the project, to build the dam and the canals.

Mr. WILEY. Mr. President, what is involved? How much is proposed to be authorized?

Mr. O'MAHONEY. The bill authorizes approximately \$4,500,000 of which \$1,500,000 will be repayable by the settlers themselves on the reclamation charges, and about \$373,000 on the agricultural phases of the work; and the balance, when the power projects are built in the Upper Colorado Basin, will be allocated to such projects.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. The Senator has already answered the question I would have asked, when he stated that this was apparently what we called a WPA project.

Mr. O'MAHONEY. WPA labor was to engage in that work.

Mr. WHERRY. Yes. So it must be reauthorized, now, under to Bureau of Reclamation; is that correct?

Mr. O'MAHONEY. Yes.

Mr. WHERRY. Very well; that is all I wish to know.

The PRESIDENT pro tempore. Is there objection of the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 11, after the word "Provided", to strike out:

That the total reimbursable costs of the irrigation features of the project as fixed in the finding of feasibility approved by the President on September 18, 1940, shall be \$1,500,000 for the project of 20,000 irrigable acres, with proportional adjustment based on the actual irrigable area as determined and announced by the Secretary of the Interior upon completion of the project, which amount shall be reimbursable in not to exceed 60 years: *And provided further*, That provision for the recovery of the reimbursable construction costs of the irrigation features of the project and the operation and maintenance thereof shall be made by the Secretary of the Interior.

And to insert:

That of the construction costs of the irrigation features of the project not less than \$1,500,000 for the project of 20,000 irrigable acres, or a proportionate part thereof based on the actual irrigable area as determined and announced by the Secretary of the Interior upon completion of the project, shall be reimbursable by the water users in not to exceed 60 years, and provision for the recovery thereof and for payment of the operation and maintenance costs of the irrigation features of the project shall be made by a contract or contracts satisfactory to the Secretary of the Interior: *Provided further*, That construction costs of the irrigation features of the project which are not hereby made reimbursable by the water users shall be set aside in a special account against which net revenues derived from the sale of power generated at the hydroelectric plants of the Colorado River storage project in the upper basin shall be charged when such plants are constructed.

And on page 3, in line 11, after the word "however", to strike out:

That all expenditures in the development and settlement of the project lands may be excluded from the costs in determining the amounts required to be reimbursed, to the extent the Secretary of Agriculture determines it necessary to keep reimbursable costs with the ability of the water users to repay.

And to insert:

That the total reimbursable cost of the land development and settlement features of the project shall be not less than \$373,000 for the project of 20,000 irrigable acres with proportionate adjustment, if necessary, based on the actual irrigable area as determined upon completion of the project.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized to complete the construction, including any necessary pre-construction surveys and investigations, of the irrigation features of the Eden project, Wyoming, as approved by the President on September 18, 1940 (S. Doc. 18, 77th Cong., 1st sess. (1941), p. 29), with such modification in physical features as the Secretary of the Interior may find will result in greater engineering and economic feasibility: *Provided*, That of the construction costs of the irrigation features of the project not less than \$1,500,000 for the project of 20,000 irrigable acres, or a proportionate part thereof based on the actual irrigable area as determined and announced by the Secretary of the Interior upon completion of the project,

shall be reimbursable by the water users in not to exceed 60 years, and provision for the recovery thereof and for payment of the operation and maintenance costs of the irrigation features of the project shall be made by a contract or contracts satisfactory to the Secretary of the Interior: *Provided further*, That construction costs of the irrigation features of the project which are not hereby made reimbursable by the water users shall be set aside in a special account against which net revenues derived from the sale of power generated at the hydroelectric plants of the Colorado River storage project in the upper basin shall be charged when such plants are constructed.

SEC. 2. That the Secretary of Agriculture is authorized to complete the land development and settlement features of the project in accordance with the general plan approved by the President on September 18, 1940, including the acquisition of such lands, or interests in lands, as may be necessary, and the extension of technical advice and assistance to settlers in matters of farm practice, soil conservation, and efficient land use: *Provided, however*, That the total reimbursable cost of the land development and settlement features of the project shall be not less than \$373,000 for the project of 20,000 irrigable acres with proportionate adjustment, if necessary, based on the actual irrigable area as determined upon completion of the project.

SEC. 3. To carry out the purposes of this act, the Secretary of the Interior and the Secretary of Agriculture are hereby authorized to allot any moneys available from appropriations heretofore made to the Department of the Interior and the Department of Agriculture, respectively, for "water conservation and utility projects" and "water conservation and utilization projects," and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to the Department of the Interior and the Department of Agriculture, respectively, such sums of money as may be necessary to complete the project.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The PRESIDENT pro tempore. The next measure on the calendar will be stated.

The bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, was announced as next in order.

Mr. THYE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3063) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank, and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. That bill will be passed over.

STANDARDS OF ELECTRICAL AND PHOTOMETRIC MEASUREMENTS

The bill (S. 441) to redefine the units and establish the standards of electrical and photometric measurements was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I wonder whether we might have an explanation of the need of the statutory definition.

Mr. JOHNSON of Colorado. Mr. President, if the clerk will read section 6, I am certain the bill will be fully understood.

The PRESIDENT pro tempore. The clerk will read section 6.

The legislative clerk read as follows:

SEC. 6. The unit of electrical capacitance shall be the farad, which is the capacitance of a capacitor that is charged to a potential of 1 volt by 1 coulomb of electricity.

Mr. HENDRICKSON. I am still at a loss to understand the need of a statutory definition.

Mr. JOHNSON of Colorado. The necessity of this bill is to bring the language of our statutes up to the progress which science has made. The bill has been drafted to keep the basic definitions of the act of 1894, but to eliminate the alternative definitions specifying devices, which are incorrect and are not now necessary. The later sections of the bill establish in scientific terms definitions of the units of light, now in common use throughout the world, largely as the result of work done at the National Bureau of Standards, but which have been specifically established by Federal statutes. As I have said, it is simply to bring our current statutes up to date in the use of scientific terms.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 441) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the date this act is approved the legal units of electrical and photometric measurement in the United States of America shall be those defined and established as provided in the following sections:

SEC. 2. The unit of electrical resistance shall be the ohm, which is equal to one thousand million units of resistance of the centimeter-gram-second system of electromagnetic units.

SEC. 3. The unit of electric current shall be the ampere, which is one-tenth of the unit of current of the centimeter-gram-second system of electromagnetic units.

SEC. 4. The unit of electromotive force and of electric potential shall be the volt, which is the electromotive force that, steadily applied to a conductor whose resistance is one ohm, will produce a current of one ampere.

SEC. 5. The unit of electric quantity shall be the coulomb, which is the quantity of electricity transferred by a current of one ampere in one second.

SEC. 6. The unit of electrical capacitance shall be the farad, which is the capacitance of a capacitor that is charged to a potential of one volt by one coulomb of electricity.

SEC. 7. The unit of electrical inductance shall be the henry, which is the inductance in a circuit such that an electromotive force of one volt is induced in the circuit by variation of an inducing current at the rate of one ampere per second.

SEC. 8. The unit of power shall be the watt, which is equal to ten million units of power in the centimeter-gram-second system, and which is the power required to cause an unvarying current of one ampere to flow between points differing in potential by one volt.

SEC. 9. The units of energy shall be (a) the joule, which is equivalent to the energy supplied by a power of one watt operating for one second, and (b) the kilowatt-hour, which is equivalent to the energy supplied by a power of one thousand watts operating for one hour.

SEC. 10. The unit of intensity of light shall be the candle, which is one-sixtieth of the intensity of one square centimeter of a perfect radiator, known as a "black body," when operated at the temperature of freezing platinum.

SEC. 11. The unit of flux of light shall be the lumen, which is the flux in a unit of solid angle from a source of which the intensity is one candle.

SEC. 12. It shall be the duty of the National Bureau of Standards to establish the values of the primary electric and photometric units in absolute measure, and the legal values for these units shall be those represented by, or derived from, national reference standards maintained by the National Bureau of Standards.

SEC. 13. The act of July 12, 1894 (Public Law Numbered 105, Fifty-third Congress), entitled "An act to define and establish the units of electrical measure", is hereby repeated.

SALE OF RESETTLEMENT PROJECTS KNOWN AS GREENBELT, MD., GREEN- DALE, WIS., AND GREENHILLS, OHIO— BILL TEMPORARILY PASSED OVER

The bill (H. R. 2440) to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHOEPPPEL. Mr. President, may we have an explanation of the bill?

Mr. DOUGLAS. Mr. President, this is a bill to permit the Housing Administration to sell to veterans' groups organized on a nonprofit or mutual basis, and to limited dividend corporations, on the basis of independent appraisal without competitive sales, the so-called three "Green Towns" outside, respectively, the cities of Milwaukee, Wis., Washington, D. C., and Cincinnati, Ohio. The Housing Commissioner has the power to require competitive sales to private bidders, but the bill permits him to dispose of the properties in an alternative way.

Mr. WHERRY. Mr. President, reserving the right to object, I may say I sincerely hope the Senator from Kansas will not object to the passage of the bill.

Mr. SCHOEPPPEL. I have no objection whatever.

Mr. WHERRY. I have gone over it myself very carefully. I have had many communications about it. I am in total sympathy with the purposes of the bill. I hope it will be passed.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking and Currency, with an amendment, to strike out all after the enacting clause, and insert:

That, notwithstanding the provisions of section 3709, as amended, of the Revised

Statutes of the United States, or any other provision of law, the Public Housing Commissioner is hereby authorized, by means of negotiated sale or sales and without competitive bidding or public advertising, to sell and convey, at fair market value as determined by him on the basis of an appraisal made by an independent real-estate expert selected by the Commissioner and subject to such terms and conditions as he may determine to be in the best public interest, to such purchaser or purchasers as he deems to be responsible, all right, title, and interest of the United States in or to all or any part of the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio (including improved and unimproved lands, war housing constructed on lands of or adjacent to said suburban resettlement projects, and personal property used in connection with said projects or housing): *Provided, however,* That the Public Housing Commissioner shall, during such period as he deems to be reasonable, give a first preference in such negotiated sale or sales to veteran groups organized on a nonprofit basis (provided that any such group shall accept as a member or its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to other members of the group, any tenant occupying a dwelling unit at any time during such period, starting on the date of the announcement by the Public Housing Commissioner of the terms of the negotiated agreement hereunder with such group, as the Commissioner shall deem appropriate), and may sell to such groups at fair market value (as determined by him on the basis stated above) or at cost (as determined by him, including the apportioned cost of structures, lands, appurtenances, and personal property transferred, together with the apportioned share of the cost of all utilities and other facilities provided for and common to the project of which any property being sold is a part), whichever is lower, except, however, that in the event two or more such groups desire to purchase any such project they shall be required to submit sealed bids therefor and the award shall be made on the basis of the highest acceptable monetary return to the Government: *And provided further,* That evidence is furnished to the Commissioner, satisfactory to him, that the compensation paid or to be paid for organizing such groups, for negotiating the purchase of such property and for financing such purchase is fair in relation to the purchase price and reasonable on the basis of time effectively devoted to such services on a professional or similar basis: *And provided further,* That in the event of a sale other than for cash, the Commissioner shall require a down payment of at least 10 percent of the total purchase price, the balance to be amortized over a period of not more than 25 years, the unpaid balance to bear interest at the rate of 4 percent per annum and the payment of any unpaid balance to be secured by a first mortgage or deed of trust against the properties sold. The Commissioner is authorized, as a condition of any such sale, to transfer, or to require the transfer or an agreement for the transfer of, streets, roads, public buildings, federally owned utilities, playgrounds, swimming pools, and parks, including adequate open land surrounding or adjacent to each project, to the appropriate non-Federal governmental agency, at such times, to such an extent, and upon such terms and conditions as he shall determine to be in the public interest.

SEC. 2. As used in this act, (1) the term "veteran" means any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF CIVIL SERVICE RETIREMENT ACT—BILL PASSED OVER

The bill (S. 988) to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55, was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to say for the information of Senators, and particularly the Senator from Rhode Island [Mr. GREEN], who introduced the bill, that we are working on an amendment which will meet the objection of certain Senators. When the amendment is completed they will agree to the passage of the bill. The amendment is now in process of being drawn, and I ask that the bill be passed over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

JAMES G. SMYTH—BILL PASSED OVER

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senate return to Senate bill 196, Calendar No. 61, a bill for the relief of James G. Smyth. I wish to say that I have no further objection to the bill. The request that the bill be passed over has been withdrawn.

Mr. CHAVEZ. Mr. President, it appears that the bill involves \$143,000. I am sure a bill involving so large an amount of money should not be passed on the call of the calendar. I object.

Mr. DOWNEY. Mr. President, will the Senator withhold his objection until I make an explanation?

Mr. CHAVEZ. Yes.

Mr. DOWNEY. The item in question represents revenue stamps of the United States Government which were destroyed accidentally in a fire. The facts are well established. The Treasury Department has given us an entire and complete history of the case. There is no doubt that the collectors should be relieved of obligation in connection with the destruction of the revenue stamps. There is no question at issue in the case.

Mr. McCARRAN. Mr. President, may I join the Senator from California in making an explanation of the bill? The stamps in question were revenue stamps, purchased and recorded when they were purchased. They had to be held on hand so that when casks or packages were sent out they would contain canceled stamps. As the stamps were canceled a record was made of them. The case is not at all like the case of paper money, which is entirely destroyed. The same rule cannot apply in the case of revenue stamps, since there was a record made of their purchase and a record of their destruction.

The PRESIDING OFFICER. Does the Senator from New Mexico insist upon his objection?

Mr. CHAVEZ. Mr. President, my objection to the bill, when I made it, was due to the fact that after all \$143,000 is \$143,000. I do not believe four Senators

in this body tonight know the facts involved in the case. So long as the Senator from Nevada, whose committee had the bill under consideration, believes the bill to be a meritorious one, I am willing to accede to its passage. But I want Senators who are present to realize that in this bill we are dealing with \$143,000. However, I am willing to take the word of the Senator from Nevada in connection with the bill.

The PRESIDING OFFICER. Is there further objection?

Mr. HENDRICKSON. Mr. President, do I understand the Senator from New Mexico objected?

The PRESIDING OFFICER. The Senator from New Mexico objected, and later withdrew his objection.

Mr. HENDRICKSON. By request, I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

CERTAIN TAXES RELATING TO OLEOMARGARINE—BILL PASSED OVER

The bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, was announced as next in order.

Mr. THYE. Over.

Mr. LUCAS. With respect to Senate bill 2023, Calendar No. 288, I will say that I do not believe I have received any more mail on a bill than I have received on the oleomargarine bill. Such mail comes to me from all over the United States. I regret to advise my friends from the dairy sections of the country—and I have many dairy interests in my own State—that before we adjourn we may be compelled to take up this bill.

Mr. FULBRIGHT. Mr. President, I did not quite understand the distinguished majority leader.

Mr. LUCAS. I repeat what I said. I do not believe there is a bill on the calendar with respect to which the Senator from Illinois has been receiving more mail than the oleomargarine bill. I do not know whether the Senator from Arkansas is responsible for the mail which has come to my office respecting this bill, but the mail is in the interest of the position taken by the Senator from Arkansas.

I merely made the statement that I thought perhaps we might have to take up the oleomargarine bill before we conclude the present session. I merely make announcements on various bills to let Senators know that we are not going to get away from here on August 15, as a number of Senators seem to think might be done, because I cannot see any possible way of adjourning by that time.

Mr. FULBRIGHT. Mr. President, I thought the Senator said he would be compelled to take up this bill. I do not quite understand the implications of that statement, because there is not a bill on the calendar for which there is greater support by the people of the country. It has seniority over any other bill on the calendar. It has been before the Senate longer than any other bill.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I will not yield just now, Mr. President. There is a plank in

the Democratic Party platform relating to repeal of taxes on oleomargarine, and so forth. I do not think it is a question of compelling action. I think the party leadership should be anxious to bring up this bill at the earliest possible moment. There is great support for it. We had two test votes on this bill last year, demonstrating without any question that a large majority of the Senate favors the bill. There is no question that it will pass as soon as it is brought up for consideration in the Senate—or shortly thereafter. [Laughter.] Yes, shortly thereafter.

Mr. THYE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. FULBRIGHT. Not at the moment, Mr. President. I think the bill should be brought up before the Senate adjourns for this session, and that it should be considered in ample time to permit those who are interested in it to have their say about it.

The PRESIDING OFFICER. The Senator's opinion is out of order. There is no bill pending before the Senate.

On objection, the bill will be passed over.

BENEFITS FOR CERTAIN ANNUITANTS—BILL PASSED OVER

The bill (S. 878) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1949, was announced as next in order.

Mr. MAYBANK. Mr. President, on that bill I ask for 5 minutes under the rule. Another bill has been called since the oleomargarine bill was passed over.

The PRESIDING OFFICER. The next bill on the calendar has been called.

The Chair recognizes the Senator from South Carolina.

Mr. MAYBANK. I wish to associate myself with the Senator from Arkansas in what he has said regarding the oleomargarine bill, which was just passed over. I also wish to associate myself with the position taken by the senior Senator from Georgia [Mr. GEORGE] respecting the repeal of various excise taxes. Most excise taxes should be repealed. I think it is most outrageous that year after year after year, since 1944, we have had to place amendments on tax bills coming over from the House Ways and Means Committee, even to be able to raise our voices on the subject of oleomargarine and the repeal of taxes connected with it. I want to make my record clear. In the case of bills of this character, the Senate has been under a disadvantage, because such bills, so-called revenue-raising bills, must originate in the House. We have said we would do something about oleomargarine, that we would do something about taxes on telegrams, that we would do something about excise taxes on railroad tickets and excise taxes on jewelry, but we have been unable to accomplish anything. In line with the suggestion of my distinguished friend, the majority leader, I will be glad to stay here until October if the measures to which I have referred can come before the Senate and be considered.

Mr. CHAVEZ. Mr. President, I should like to discuss House bill 2023, Calendar No. 288, the bill dealing with oleomargarine. I should like to ask the Senator from Illinois, the majority leader—

The PRESIDING OFFICER. Will the Senator wait until the bill which was last called is disposed of. That is Senate bill 878, Calendar No. 294.

Mr. CHAVEZ. I wish to discuss House bill 2023, Calendar No. 288, an act to regulate oleomargarine, and so forth.

The PRESIDING OFFICER. Very well.

Mr. CHAVEZ. I should like to find out from the leadership on this side of the aisle whether or not it is the purpose of the leadership to seek to have the bill taken up for action by this body.

Mr. LUCAS. I will say to my good friend from New Mexico that it certainly is the position of the majority leader that before Congress adjourns the Senate should consider the oleomargarine bill. The oleomargarine tax should be repealed. I agree with the Senator from Arkansas and other Senators on that question. The bill has been unanimously reported by the Finance Committee. It has been on the calendar a long time, but there have been some other bills which the policy committee thought were more important; consequently it was put aside.

Mr. CHAVEZ. It is the hope of the Senator from New Mexico that the policy committee will have as much interest in the oleomargarine bill as it has in affairs across the ocean.

Mr. LUCAS. I appreciate the Senator's contribution to the debate.

Mr. FULBRIGHT. Mr. President, what bills does the Senator think are of greater importance or have greater support than the oleomargarine bill?

Mr. LUCAS. The ECA appropriation, which is the pending business, is one.

Mr. FULBRIGHT. Has the Senator received nearly as many letters about the other bill as he has received with regard to the oleomargarine bill?

Mr. LUCAS. As I stated before, I have received a great many letters on the subject of oleomargarine; but we had the Taft-Hartley Act and a number of other matters to consider.

Mr. FULBRIGHT. They were of minor importance.

Mr. LUCAS. If the Senator had voted my way, they would not have been so minor.

The PRESIDING OFFICER. The oleomargarine bill has been passed over. Is there objection to the present consideration of Senate bill 878 to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to explain that with respect to this bill we have been working on a compromise which will be offered a little later, so I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF BENEFITS OF CIVIL SERVICE RETIREMENT ACT

The bill (H. R. 997) to extend the benefits of section 1 (c) of the Civil

Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55, was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, this bill is in the same situation. It is a companion bill to Calendar No. 244, Senate bill 988. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 33) suspending the legislative budget pending further study was announced as next in order.

Mr. SCHOEPPPEL. Over.

The PRESIDING OFFICER. The concurrent resolution will be passed over. NORTHWEST MISSOURI FAIR ASSOCIATION—BILL PASSED OVER

The bill (S. 1054) for the relief of Northwest Missouri Fair Association of Bethany, Harrison County, Mo., was announced as next in order.

Mr. DONNELL. Mr. President, reserving the right to object, the senior Senator from Missouri submits certain matters as follows:

On a previous call of the calendar he objected to Senate bill 1054. The bill authorizes payment by the Secretary of the Treasury of the sum of \$25,000 to Northwest Missouri Fair Association in full settlement of all claims against the United States for damage and destruction by fire of certain buildings, while the fairgrounds of the association were occupied by and under the exclusive control of the Seventeenth Field Artillery, Third Battalion, of the United States Army, on September 13, 1931. The buildings consisted of a grandstand and a so-called Liberal Arts Building. Included in the report of the Senate Committee on the Judiciary is a sentence reading:

While carrying out the evacuation, Army trucks, tractors, and other equipment was driven over the hose which had been connected in fighting the fire in the grandstand, with the result that it was damaged to the extent that no pressure could be brought to bear upon the fire at the Liberal Arts Building, and this building, too, was destroyed by fire.

In the House of Representatives Report No. 581, Seventy-third Congress, second session, which report referred to a bill relative to the same subject matter as that embraced in S. 1054, appears the conclusion that—

The evidence justifies the conclusion that the Liberal Arts Building could have been saved had it not been for the action of the troops in recklessly driving their tractors, trucks, and other equipment over the fire hose which the Bethany Fire Department had attached to a nearby hydrant to throw water on the roof of the Liberal Arts Building.

In view of the last mentioned conclusion, I was of the opinion that it would be proper to authorize and direct payment by the Secretary of the Treasury, to the Northwest Missouri Fair Association of an amount equal to the fair value of the Liberal Arts Building at the time of its destruction.

The previously mentioned amount of \$25,000 is, however, the sum which Report No. 581 says the evidence shows that the Liberal Arts Building and the grandstand were worth at the time of their destruction.

Although I was of the opinion that it would be proper to authorize and direct payment of an amount equal to the fair value of the Liberal Arts Building at the time of its destruction, I was of the opinion that there should not be made payment of the sum of \$25,000 which sum, as previously indicated, was that which, at the time of their destruction, both the grandstand and the Liberal Arts Building were worth. My reason for the last mentioned opinion was that I did not think the evidence justified the conclusion that the grandstand was destroyed through negligence of an agent of the Government.

I have, however, given further thought to the subject and submit the following:

First. Under the evidence it appears that possession of the grandstand was given to the Army for the sole benefit of the Army—the agreement, by which rental was paid by a lieutenant in the Army, not having included any of the buildings on the fairgrounds.

Second. Under the evidence the Army had exclusive possession of the grandstand at the time of the fire.

Third. A case decided in Missouri cities approvingly a statement to the effect that where a bailment is for the exclusive benefit of the bailee, it is necessary for him, in order to discharge himself from liability in case of loss, to show that he exercised over the subject-matter of the bailment the greatest care and attention—See *Carr et ux. v. Evans et ux.* (176 S. W. 298, Springfield Court of Appeals, Mo., 1915).

Fourth. It has been declared in a case decided in Missouri that where a defendant had the exclusive possession of the subject of a bailment—the bailment in that case being a gratuitous one—the law considers that a prima facie case of negligence is made out by proof of the bailment and failure of the defendant to return the property in the same condition as when received—*Oliver Cadillac Co. v. Rosenberg* (179 S. W. 2d, 476, St. Louis Court of Appeals, Mo., 1944).

Fifth. Although no cases have been found by a representative of the office of the senior Senator from Missouri which involved a gratuitous lease of real estate, there is, in the opinion of the senior Senator from Missouri, a close analogy between leases of real estate and bailments.

Sixth. It is reasonable to conclude that, in the case at hand, under the law of Missouri (a) that a prima facie case of negligence on the part of the army is made out by proof of the gratuitous letting of the grandstand and of failure of the Army to return the grandstand in the same condition as when received and (b) in order that the Government may discharge itself from liability—if it were subject to the liability of a non-governmental entity—it is necessary that the Government show that it exercised with respect to the grandstand the greatest care and attention.

Seventh. The evidence in the case at hand not only fails to overcome the

Injustice, as pertains to State banking institutions, and would do much to continue to assure the survival of the dual banking system in this country.

We trust that you may find it convenient to extend your complete support to the passage of this bill during the present session.

With warm personal regards, I am,
Very truly yours,

JOHN D. HOSPELHORN,
Deputy Bank Commissioner.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KERR, Mr. RA-BAUT, Mr. TABER, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 734. An act for the relief of Curtis R. Enos;

H. R. 3618. An act for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll; and

H. R. 4306. An act for the relief of Zora B. Vulich.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1620. An act for the relief of Robert E. Bridge and Leslie E. Ensign;

H. R. 1694. An act to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects;

H. R. 1746. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes; and

H. R. 5007. An act to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the Reserve components thereof, the National Guard, and the Air National Guard, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the speaker had affixed his signature to the enrolled bill (H. R. 5356) to provide for the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass., and it was signed by the Vice President.

THE CALENDAR

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of the calendar.

The VICE PRESIDENT. For the consideration of bills to which there is no objection?

Mr. LUCAS. We are to start from the beginning of the calendar.

The VICE PRESIDENT. Does the Senator wish to consider bills to which there is no objection?

Mr. LUCAS. That is correct.

The VICE PRESIDENT. Without objection, the motion is agreed to. The Secretary will state the first business on the calendar.

BILLS PASSED OVER

The bill (S. 130) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities; was announced as first in order.

Mr. SCHOEPEL. Over.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The bill will be passed over.

The bill (S. 206) relating to the immigration status of the lawful wives and children of Chinese-treaty merchants was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

On objection, the bill was passed over.

JAMES G. SMYTH

The bill (S. 196) for the relief of James G. Smyth, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to allow credit in the account of James G. Smyth, collector of internal revenue, first district of California, in the sum of \$143,000, representing the value of certain wine stamps which have been unintentionally lost or destroyed by his office.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 45) for the relief of the owners and operators of certain gold mines which were closed or the operations of which were curtailed by War Production Board Limitation Order L-208 was announced as next in order.

Mr. HENDRICKSON. Mr. President, I object, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 110) to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor was announced as next in order.

Mr. DONNELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 498) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

On objection, the bill was passed over.

The joint resolution (S. J. Res. 25) proposing an amendment to the Constitution of the United States relative to equal rights for men and women was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 734) to provide for the appointment and compensation of counsel for impoverished dependents in certain criminal cases in the United States district courts was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2660) to prohibit the parking of vehicles upon any property owned by the United States for postal purposes was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

THE OLEOMARGARINE BILL

The bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine and for other purposes was announced as next in order.

SEVERAL SENATORS. Over.

Mr. FULBRIGHT. Mr. President, if the objection may be withheld for a moment, I should like to ask the majority leader when he plans to bring up this bill, Calendar 288, House bill 2023.

Mr. LUCAS. In reply to the inquiry made by the Senator from Arkansas, I should advise him that some time ago the Policy Committee unanimously agreed to postpone consideration of the oleomargarine bill until the second session of the present Congress. When we return here early in January the oleomargarine bill will be one of the first bills to be given consideration.

Mr. FULBRIGHT. Do I correctly understand that it will be the first bill to be considered?

Mr. LUCAS. The Senator is correct. When we return the oleomargarine bill will be the first bill to be considered by the Senate.

Mr. FULBRIGHT. I thank the Senator.

Mr. WHERRY. Mr. President, of course that is a firm commitment on the part of the majority, which, of course, is their own problem. I should like to ask the distinguished majority leader, however, if it is his intention to bring up any of the civil-rights measures before this session is concluded?

Mr. LUCAS. There is a possibility of it.

Mr. WHERRY. If it is not brought up at this session, would the majority leader ask unanimous consent that the anti-lynching bill be brought up, say, as the second order of business during the next session.

Mr. LUCAS. The Senator from Illinois will take up with the policy committee all the suggestions now being made by the distinguished Senator from Nebraska, and we will tell him later exactly what we propose to do with respect to the civil-rights measures. If my good friend would use his influence with the committee with respect to the poll-tax bill, and get it out of committee, we might do something about the poll-tax bill.

Mr. WHERRY. Mr. President, will the Senator yield for a further inquiry?

Mr. LUCAS. I yield.

Mr. WHERRY. I may say to the distinguished Senator that if he will ask the chairman of the subcommittee to hold hearings on the measure, that will be very helpful. The last time the Rules Committee met, I moved to report the bill, but hearings were requested by the majority side.

Mr. LUCAS. I understand how interested the Senator from Nebraska is in the poll-tax bill, the antilynching bill, the FEPC bill, and similar measures.

Mr. WHERRY. That is correct.

Mr. LUCAS. I can assure him that before the Eighty-first Congress concludes, he will have an opportunity to prove some of the assertions he has been making over the country and over the radio in respect to how many Members of the Senate will vote for the FEPC bill, for the poll-tax bill, and for similar bills.

Mr. WHERRY. Will that be the first session or the second session, may I ask the majority leader?

Mr. LUCAS. It may be the first session or it may be the second session. Is that an answer?

Mr. WHERRY. No; that is very indefinite.

Mr. LUCAS. I knew the Senator from Nebraska would not agree to that, but that is the best answer I can give him.

Mr. WHERRY. I thank the Senator. I think that is true; I think that is the best answer the majority leader can give.

Mr. LUCAS. Yes; it is the best answer, and it is one that satisfies the Senator from Illinois and the majority, and I am sure it satisfies most of the minority.

Mr. WHERRY. Of course, Mr. President, it probably does satisfy the majority, the Senators on the other side of the aisle, so far as the civil-rights proposed legislation is concerned. But I should like to suggest to the distinguished Senator from Illinois that if he will now ask unanimous consent to have the civil-rights bill brought up, I am sure he will find that consent will be given by all Senators on this side of the aisle.

Mr. LUCAS. Mr. President, the Senator from Nebraska may have an opportunity to vote on civil rights before this session concludes. The Senator is pushing me a little along that line. I know exactly what he is attempting to do. He is not fooling anyone here, neither is he fooling the country, in respect to his position in regard to civil rights. He can keep on pushing a little, and he will have his desire in respect to FEPC and probably in respect to the antilynching bill, because the Senator from Illinois is in favor of both those bills, and they will be brought up in due course.

Does the Senator from Nebraska wish to ask me another question?

Mr. WHERRY. Yes. I ask the Senator from Illinois to request unanimous consent to have the civil rights bill brought to the Senate as the first measure in the second session of the Eighty-first Congress. Will the majority leader put such a unanimous request?

Mr. LUCAS. Mr. President, why does not the Senator from Nebraska want to have it considered now, at this session?

Mr. WHERRY. Because the Senator from Illinois already stated that he did not know whether he could do it at this session or at next session. Inasmuch as the majority leader is now making up the calendar to be taken up at the next session, and has made the suggestion that the oleomargarine bill be taken up as the first measure, I am perfectly agreeable to having the civil-rights bill

taken up as the first measure of the second session of the Eighty-first Congress. If the distinguished majority leader will ask unanimous consent now to have the civil-rights bill, which has been reported from the Judiciary Committee, taken up as the first piece of proposed legislation in the second session of the Eighty-first Congress, he will be able to obtain unanimous consent at this time, so far as Senators on this side of the aisle are concerned.

Mr. FULBRIGHT. Mr. President, I call for the regular order.

Mr. LUCAS. Mr. President, let me answer the Senator from Nebraska for a moment, please.

The Senator from Nebraska is tremendously interested in the so-called antilynching bill. He wants now to let the country know that he is attempting to organize the program for the majority in the second half of the Eighty-first Congress.

Mr. FULBRIGHT. Mr. President, I call for the regular order.

The PRESIDING OFFICER. On objection, House bill 2023 has been passed over. The regular order is called for, and the clerk will state the next measure on the calendar.

BENEFITS UNDER CIVIL SERVICE RETIREMENT ACT

The bill (S. 878) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, was announced as next in order.

Mr. WHERRY. I object.

Mr. LUCAS obtained the floor.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

Mr. LUCAS. Mr. President, I have the floor, and I do not yield for a parliamentary inquiry.

Let me say that the Senator from Nebraska is vitally interested in the antilynching bill and he is vitally interested in the FEPC bill and he is vitally interested in the poll-tax bill. He is attempting now, at the close of the session, to lay down a policy to be carried out during the next session, insofar as what the majority will do is concerned. Mr. President, whenever we want the advice of the Senator from Nebraska in regard to what the majority will do, either at this session or at the next session, we shall invite him to the meeting of the Democratic policy committee. But we on this side of the aisle are controlling the kind of program we are going to put through at this session and at the next session, and we do not need any advice; we do not need any counsel or any Nebraska wisdom to tell us what we on this side of the aisle can or cannot do. That is my answer to the Senator from Nebraska.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. What bill was just called as next in order?

The PRESIDING OFFICER. Calendar No. 294, Senate bill 878, has been called.

Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, has disposition been made of the bill?

The PRESIDING OFFICER. It has not yet been disposed of.

Mr. WHERRY. Mr. President, I ask unanimous consent that Senate bill 91, Calendar No. 458, a bill to provide for the better assurance of the protection of persons within the United States from lynching, and for other purposes, be taken up by the Senate as the second piece of proposed legislation to be considered at the second session of the Eighty-first Congress.

Mr. McCLELLAN. I object.

The PRESIDING OFFICER. Objection is heard. Is there objection to the present consideration of Senate bill 878, Calendar No. 294?

Mr. HENDRICKSON. Mr. President, reserving the right to object, let me say I understand that the Senator from South Carolina [Mr. JOHNSTON] has amendments to overcome objections heretofore raised.

Mr. JOHNSTON of South Carolina. Mr. President, at the time when this bill was reached at a previous call of the calendar, the senior Senator from Delaware [Mr. WILLIAMS] had an amendment. Since then, the amendment has been studied. Under the amendment it would cost a quarter of a million dollars merely to make the investigation called for. It is the opinion that it would not cost anywhere near that much to pay annuities to the persons concerned.

Therefore, under those circumstances, I could not agree to the amendment.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, I showed the amendment to the Senator from South Carolina about 2 months ago. At that time he agreed to the amendment. This is the first notice I have had that he disagrees. I ask that the bill be passed over.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to have printed at this point in the RECORD a letter which is signed by Warren B. Irons, Chief of the Retirement Division. I wish to have the letter printed in the RECORD in order to bring to the attention of the Senate what the Retirement Division has to say in regard to the amendment we have been discussing. I request that the letter be printed in the RECORD for the information of the Members of the Senate.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 4, 1949.

MR. WILLIAM BRAWLEY,
Assistant Staff Director, Committee on
Post Office and Civil Service, United
States Senate.

DEAR MR. BRAWLEY: Reference is made to the proposed amendments to bill S. 878.

The amendments are of the exact import as that offered by Senator WILLIAMS when the Senate considered H. R. 4127 (now Public

bill, because it will be brought up in order after the calendar has been completed and the bill is reached.

Mr. DOWNEY. Mr. President, I wish to ask unanimous consent that two bills which I am about to report favorably from the Committee on Public Works, by the unanimous consent of all its members, shall be considered on today's calendar, although they are not upon the printed calendar. I think they are both entirely unobjectionable. One deals with certain improvements relating to the Capitol power plant. It appears that conditions there are so dangerous that we momentarily could have an explosion which might reach right into the Senate Chamber.

Mr. LUCAS. Mr. President, let me say to the Senator from California that if he will not press his request as to the bills which are reported today, which, under the rules of the Senate, must lie over a day, I will have another short call of the calendar tomorrow to take care of them. There are only a few such bills.

Mr. DOWNEY. That is all right.

Mr. WHERRY. I understood the Senator to say they would be taken up tomorrow, so that the unanimous consent will be withdrawn, will it not?

Mr. LUCAS. It is withdrawn.

The PRESIDING OFFICER (Mr. HOEY in the chair). The Senator from Illinois has submitted a unanimous-consent request.

Mr. WHERRY. What is the request?

The PRESIDING OFFICER. That the unfinished business be temporarily laid aside and that the calendar be called.

Mr. MYERS. Did I understand some Senator to say that the bills which are on the calendar on which no reports have yet been filed would automatically be passed over?

The PRESIDING OFFICER. No. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The Chair calls the attention to the fact that under the rules, when objection is made, a bill goes over. If, when that happens, Senators refrain from discussion of the bill, the call of the calendar will be very much facilitated. Of course, the 5-minute rule will be rigidly applied, and a Senator can speak but once on any one measure.

Mr. LUCAS. Mr. President, I am sure that some Members of the Senate did not hear what the distinguished occupant of the chair just said about the call of the calendar. I should like to have Senators hear what the distinguished Senator from North Carolina, now presiding, said a moment ago. I will ask him to repeat it.

The PRESIDING OFFICER. The Chair said that the Senate is about to consider a long calendar, and under the rule, when an objection is made to a bill, it goes over. If, in those circumstances, Senators will refrain from discussing a bill which has been objected to, it will facilitate the call of the calendar. The rule as to that, as well as limiting speeches to 5 minutes will be enforced, and only one speech is allowed on a measure, under the rule.

The clerk will proceed with the call of the calendar.

PUBLIC LIBRARY SERVICE—BILL PASSED OVER

The bill (S. 130) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities, was announced as first in order.

Mr. DONNELL. Over.

Mr. HILL. Mr. President, I do not wish to delay the call, but if the Senator will withhold his objection—

Mr. DONNELL. I withhold the objection. I am objecting in behalf of an absent Senator.

Mr. HILL. That means, then, that the Senator under no circumstances could withdraw his objection. He is under a solemn, unalterable, absolute, inevitable, inextricable commitment to object?

Mr. DONNELL. Absolutely.

Mr. HILL. As the Senator knows, this bill was reported favorably by the Committee on Labor and Public Welfare during the Eightieth Congress, and was passed by the Senate. I very much deplore the fact that the absent Senator binds and commits and so ties the distinguished Senator from Missouri that he is unalterably, inextricably committed to objecting to the bill.

The PRESIDING OFFICER. On objection, the bill goes over.

The next bill on the calendar will be stated.

IMMIGRATION STATUS OF CERTAIN CHINESE—BILL PASSED OVER

The bill (S. 206) relating to the immigration status of the lawful wives and children of Chinese-treaty merchants, was announced as next in order.

Mr. RUSSELL. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MAGNUSON. Mr. President, will the Senator withhold his objection so that I may make a statement?

Mr. RUSSELL. I withhold my objection.

Mr. MAGNUSON. I appreciate the honest opposition by the Senator from Georgia to the bill. It has been on the calendar for a long time. I do not want to repeat what I have heretofore said respecting the importance of having action taken on the bill. It deals with the wives and children of Chinese who have been in this country, most of them more than 30 years, and who cannot be deported; who are here under a solemn treaty obligation entered into by the United States with China subsequent to the Boxer Rebellion.

I also call the attention of the Senate to the fact that the same situation exists respecting some 80,000 Japanese who are here, all of them more than 50 years old, all of whom who have been here more than 25 years, none of whom can be deported, and most of them fathers and mothers of Japanese who fought so valiantly on our side during the war. I hope the Senator from Georgia and other Senators interested can between now and January give the matter sufficient study, so we can do justice to this great group

of fine residents of America who want to become citizens of this country, and who are, to all practical purposes, citizens.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The next bill on the calendar will be stated.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 45) for the relief of the owners and operators of certain gold mines which were closed or the operations of which were curtailed by War Production Board Limitation Order L-208 was announced as next in order.

Mr. SCHOEPPF. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 110) to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor, was announced as next in order.

Mr. DONNELL. I ask that that bill go over. I ask it personally for myself.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 25) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 734) to provide for the appointment and compensation of counsel for impoverished dependents in certain criminal cases in the United States district courts was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2660) to prohibit the parking of vehicles upon any property owned by the United States for postal purposes was announced as next in order.

Mr. DONNELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine and for other purposes, was announced as next in order.

Mr. DONNELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 978) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, was announced as next in order.

Mr. WILLIAMS. I understand an amendment is to be offered to that bill by the Senator from South Carolina [Mr. JOHNSTON]. I ask that the bill go to the foot of the calendar.

Mr. DONNELL. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (S. Con. Res. 33) suspending the legislative budget pending further study was announced as next in order.

Mr. SCHOEPEL. Over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The bill (S. 1086) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn., was announced as next in order.

Mr. DONNELL. By request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CARL PIOWATY AND W. J. PIOWATY

The bill (S. 478) for the relief of Carl Piowaty and W. J. Piowaty, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. DONNELL. Mr. President, I respectfully inquire of the Senator from Kansas [Mr. SCHOEPEL] if he can enlighten me on this measure? It is my understanding there is a request that it go over.

Mr. SCHOEPEL. That is correct. I am sorry I missed that. I ask that the bill be passed over.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER. The bill will be passed over.

Mr. PEPPER. Mr. President, was objection made to Calendar No. 382, Senate bill 478?

The PRESIDING OFFICER. There was objection.

Mr. PEPPER. May I inquire if the Senator who objected will withhold his objection for a moment?

The PRESIDING OFFICER. The Senator from Kansas [Mr. SCHOEPEL] made objection.

Mr. PEPPER. Did I understand the majority leader said there would be another call of the calendar?

The PRESIDING OFFICER. Tomorrow.

Mr. PEPPER. Tomorrow?

The PRESIDING OFFICER. But that does not mean that we will go back to and call the calendar from the beginning.

Mr. RUSSELL. If I understood the majority leader, the call of the calendar tomorrow would commence at the point where we concluded today.

The PRESIDING OFFICER. And only for bills reported today and placed on the calendar tonight.

Mr. PEPPER. In view of the fact that the Senator who objected has had an opportunity to read the decision of the Supreme Court of Florida upon this matter, and to see that it was only a sheer technicality upon which a majority of the court decided, while all but one of the same number that ruled on the technicality against the claimant, held that there was equity on his side, and that the full court manifested the opinion that there was equity on the side of the claimant, and since some other Senators who previously objected to this bill, after seeing the Supreme Court decision, withdrew their objection, and since this is the last call of the calendar, I wonder

if the Senator would be good enough to withhold his objection?

Mr. SCHOEPEL. I may say to the distinguished Senator from Florida that objection was made by an absent Senator. While the matter has been cleared up in the minds of a Senator or two, the absent Senator has notified me of his objection. Until I receive clearance or removal of the objection, I do not feel at this time I can conscientiously withhold objection. I make the suggestion that the bill go to the foot of the calendar today.

Mr. PEPPER. Very well.

Mr. SCHOEPEL. But under no consideration would I want to decline to follow the request which has been made of me.

Mr. PEPPER. Mr. President, I ask, then, that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida that the bill be placed at the foot of the calendar? The Chair hears none, and it is so ordered.

Mr. DONNELL subsequently said: Mr. President, for the record which I have been endeavoring to keep, what was the disposition of Order No. 382, Senate bill 478?

Mr. PEPPER. That was the matter to which I was just about to call attention. That was the last bill, as I recall, upon the special list. May I inquire if the able Senator from Kansas has yet been able to get in touch with the Senator who objected?

Mr. SCHOEPEL. I have not, Mr. President, I shall have to object.

Mr. PEPPER. Does the Senator think he may be able to have an opportunity to consult the absent Senator by tomorrow?

Mr. SCHOEPEL. I should be delighted at such an opportunity.

Mr. PEPPER. Mr. President, in view of the fact that the Senator at whose insistence the able Senator today objected will probably be accessible tomorrow, I ask unanimous consent that Order No. 382, Senate bill 478, may be called when the bills are called on the calendar tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 1464) to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders, was announced as next in order.

Mr. LODGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1393) to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study, was announced as next in order.

Mr. SCHOEPEL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1955) to authorize certain persons to accept decorations tendered them by the United Kingdom for services

rendered the allied cause during World War II, and for other purposes, was announced as next in order.

Mr. DONNELL. By request, I object.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 595) relating to the internal security of the United States, was announced as next in order.

Mr. DONNELL. By request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1243) to amend the Hatch Act, was announced as next in order.

Mr. DONNELL. By request, I ask that the bill be passed over.

Mr. MAGNUSON. Mr. President, may I ask the distinguished Senator from Missouri what Senator is making objection to this bill?

Mr. DONNELL. The Senator knows I am acting as the acting minority leader. The notation on the side of the sheet before me says "Messrs. WHERRY and TAFT."

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. The bill will be passed over.

Mr. DONNELL subsequently said: Mr. President, earlier in the afternoon I made an announcement, as I recall, that the Senators who were objecting to Order No. 428, House bill 1243, were the senior Senator from Ohio [Mr. TAFT] and the junior Senator from Nebraska [Mr. WHERRY]. I learn that I misinterpreted the note which was upon the page handed to me, and that the sole objector was the senior Senator from Ohio. I ask leave at the appropriate place, in connection with Order No. 428, to make the correction.

The PRESIDING OFFICER. Without objection, the correction will be made.

The bill (S. 458) to provide for a survey of physically handicapped citizens, was announced as next in order.

Mr. SCHOEPEL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 91) to provide for the better assurance of the protection of persons within the United States from lynching, and for other purposes, was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 12) to amend the Civil Aeronautics Act of 1938, as amended, was announced as next in order.

Mr. JOHNSTON of South Carolina. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MYERS. Mr. President, was action taken on Calendar 476, Senate bill 12?

The PRESIDING OFFICER. It went over on objection.

The bill (H. R. 4080) to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard and to enact and establish a Uniform Code of Military Justice, was announced as next in order.

of the American Legion. Kennedy has been a commission member for 4 years and served as its vice chairman in 1948-49.

Born at Dover Plains, N. Y.; Kennedy attended high school at Poughkeepsie and studied law at Fordham University. He received his law degree in June 1922. A practicing attorney in New York City since 1923, he leaves a partnership in the firm of Darcy, Loughman & Bailey to take the Legion assignment.

LONG LEGION RECORD

Kennedy interrupted his education to enlist in the Army for World War I military service. Assigned to the Eighteenth United States Infantry, he later was transferred to the Five Hundred and Fourth Aero Squadron, Aviation Section, Signal Corps. He served as a sergeant until his discharge in December 1918.

Joining the James C. Sullivan Post, No. 75, of the American Legion in New York City, Kennedy served three terms as post commander. He was treasurer and commander of the Bronx County Legion, district commander, and in 1945 department commander of New York. He is also a member of Bronx Voiture 33 of the Forty and Eight.

Married to Agnes McCabe, of Poughkeepsie, January 11, 1924, Kennedy is the father of a daughter, Ann, now 19.

REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON THE DISTRICT OF COLUMBIA

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

DECEMBER 31, 1949.

REPORT OF COMMITTEE ON THE DISTRICT OF COLUMBIA

TO THE SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from July 1, 1949, to December 31, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Robert H. Molloy, chief clerk.....	\$10,846.00	\$2,123.29
A. L. Wheeler, acting counsel and assistant clerk.....	10,846.00	5,250.98
J. George Stewart, professional staff.....	10,846.00	5,250.98
Thomas S. Henderson, professional staff.....	8,273.03	4,005.18
Edna L. Ward, assistant clerk.....	5,197.21	2,516.08
Ruth W. Bryant, assistant clerk.....	4,849.61	2,347.82
Anna H. Monat, assistant clerk.....	4,415.10	2,137.44

Funds authorized or appropriated for committee expenditure..... \$10,000.00
Amount expended (from Jan. 1 to Dec. 31, 1949)..... 2,574.53

Balance unexpended..... 7,425.47

MATTHEW M. NEELY,
Chairman.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 2766. A bill to provide for designation of the United States Veterans' Administration hospital at Buffalo, N. Y., as the "Walter Gresham Andrews Veterans' Memorial Hospital"; to the Committee on Labor and Public Welfare.

By Mr. LODGE:

S. 2767. A bill for the relief of Hoshiko Fukuda; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2768. A bill for the relief of Chang Han Wen; and

S. 2769. A bill for the relief of Pieter Mathias Pennings; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. 2770. A bill for the relief of Thomas (Toma) Moldoveanu and Constance Moldoveanu (his wife); and

S. 2771. A bill for the relief of Mircea Niculescu; to the Committee on the Judiciary.

By Mr. GREEN:

S. 2772. A bill authorizing the naturalization of Thomas N. Coie; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 2773. A bill to amend the peanut marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

By Mr. GILLETTE:

S. 2774. A bill to redefine the term "bank" as used in section 2113 of title 18 of the United States Code, dealing with bank robbery and incidental crimes, so as to include within the meaning of such term any savings and loan association the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; to the Committee on the Judiciary.

By Mr. DWORSHAK:

S. 2775. A bill directing the conveyance of certain property to the city of Rupert, Idaho; and

S. 2776. A bill authorizing the establishment and operation of a memorial museum and shop at Spaulding, Idaho; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSTON of South Carolina:

S. 2777. A bill to provide for the promotion of carriers in the Rural Delivery Service in recognition of longevity of service;

S. 2778. A bill to provide credit for postal field service of custodial employees and mail-equipment shops' employees for promotion to meritorious or longevity grades; and

S. 2779. A bill to amend the act entitled "An act to provide additional compensation and other benefits for postmasters, officers, and employees," approved October 28, 1949, so as to provide meritorious-service grades for hourly employees of the postal field service; to the Committee on Post Office and Civil Service.

By Mr. McCARTHY (for himself and Mr. WILEY):

S. 2780. A bill for the relief of Jalme Riel; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. J. Res. 138. Joint resolution requesting the President to issue a proclamation designating May 30, Memorial Day, as a day for a Nation-wide prayer for peace; to the Committee on the Judiciary.

CONSTRUCTION OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. WILEY submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; which was ordered to lie on the table and to be printed.

PAY OF SENATE PAGES

Mr. HAYDEN submitted the following resolution (S. Res. 196), which was considered by unanimous consent and agreed to:

Resolved, That the Secretary of the Senate hereby is authorized to pay from the con-

tingent fund of the Senate at the basic rate of \$1,800 per annum the salaries of 19 pages employed by the Sergeant at Arms for duty in the Senate Chamber from December 27 to 31, 1949.

CONTINUATION ON PAY ROLL OF CERTAIN SENATE EMPLOYEES

Mr. HAYDEN submitted the following resolution (S. Res. 197), which was referred to the Committee on Rules and Administration:

Resolved, That in the case of the resignation of a Senator during his term of office, his clerical and other assistants on the pay roll of the Senate on the date of such resignation shall be continued on such pay roll at their respective salaries for a period of not to exceed 30 days: *Provided*, That any such assistants continued on the pay roll, while so continued, shall perform their duties under the direction of the Secretary of the Senate, and he hereby is authorized and directed to remove from such pay roll any such assistants who are not attending to the duties for which their services are continued: *Provided further*, That this shall not operate to continue such assistants on such pay roll beyond the expiration of their Senator's term of service.

CROP PRODUCTION INVESTIGATIONS—INCREASE IN LIMIT OF EXPENDITURE BY COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. GILLETTE submitted the following resolution (S. Res. 198), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the subcommittee authorized by Senate Resolution 36, Eighty-first Congress, first session, hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, \$38,000 in addition to the amount and for the same purposes as specified in said resolution.

Resolved further, That section 3 of Senate Resolution 36, Eighty-first Congress, first session, is hereby amended to read as follows:

"Sec. 3. For the purposes of this resolution, the duly authorized subcommittee is authorized, during the sessions, recesses, and adjourned periods of the Eighty-first Congress, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable and, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government. The expenses of the subcommittee under this resolution, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the subcommittee."

TOWARD WORLD STABILITY—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "Toward World Stability—An Attack on One Is an Attack on All," delivered by him at the Institute of World Affairs, held under the auspices of the University of Southern California, in the Mission Inn, Riverside, Calif., December 13, 1949, which appears in the Appendix.]

ORGANIZATION OF THE EXECUTIVE BRANCH—ADDRESS BY SENATOR LODGE

[Mr. LODGE asked and obtained leave to have printed in the RECORD an address on the organization of the executive branch, delivered by him at the Hotel Astor, New York, N. Y., on December 1, 1949, which appears in the Appendix.]

REPUBLICAN RESURGENCE—ARTICLE BY SAMUEL SHAFFER

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "Republican Resurgence," written by Samuel Shaffer, and published in Newsweek for January 9, 1950, which appears in the Appendix.]

PROBLEMS CONFRONTING MUNICIPAL GOVERNMENTS—ADDRESS BY R. RAY SHUTE

[Mr. HOEY asked and obtained leave to have printed in the RECORD an address on the subject of problems confronting municipal governments, delivered by R. Ray Shute, mayor of Monroe, N. C., which appears in the Appendix.]

KEEP OUR FREEDOM—SERMON BY REV. EARLE B. JEWELL

[Mr. KEM asked and obtained leave to have printed in the RECORD a sermon entitled "Keep Our Freedom," delivered by Rev. Earle B. Jewell, rector of St. Andrews Episcopal Church, Kansas City, Mo., which appears in the Appendix.]

THE UNITED STATES MARINE CORPS— ADDRESS BY COL. MELVIN J. MAAS

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD the keynote address delivered by Col. Melvin J. Maas, president, United States Marine Corps Reserve Officers' Corps, at the national conference held on October 21 and 22, 1949, in Philadelphia, which appears in the Appendix.]

SOCIALISM BY DEFAULT—ADDRESS BY CECIL PALMER

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an address entitled "Socialism by Default," delivered by Cecil Palmer, English publisher, author, and journalist, at the fifty-fourth annual congress of American industry in New York, N. Y., December 9, 1949, which appears in the Appendix.]

ONE HUNDRED AND SIXTY-SECOND ANNIVERSARY OF RATIFICATION OF FEDERAL CONSTITUTION BY DELA- WARE—ADDRESS BY HON. E. PAUL BURKHOLDER

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an address delivered by State Senator E. Paul Burkholder, of Delaware, on the occasion of the one hundred and sixty-second anniversary of the ratification of the Federal Constitution by the State of Delaware, which appears in the Appendix.]

WHAT IS THE CONSTITUTION OF THE UNITED STATES WORTH TO AMERICAN WOMEN?—ADDRESS BY HELEN ELIZA- BETH BROWN

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address entitled "What Is the Constitution of the United States Worth to American Women?" delivered by Helen Elizabeth Brown before the Lawyers' Civil Association of Maryland, on Wednesday, November 2, 1949, which will appear hereafter in the Appendix.]

PRIZE ESSAY BY MISS NATALIE SNYDER ON CONSERVATION OF SOIL RESOURCES

[Mr. HENDRICKSON asked and obtained leave to have printed in the RECORD the sec-

ond prize essay by Miss Natalie Synder, of Pittstown, N. J., in the Nation-wide contest on conservation of our soil resources, sponsored by the National Grange and American Plant Food Council, Inc., which appears in the Appendix.]

UNITED STATES CULTURAL EXCHANGE PROGRAM—ARTICLE BY BENJAMIN FINE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article relating to the United States cultural exchange program, by Benjamin Fine, from the New York Times of December 25, 1949, which appears in the Appendix.]

PRIVATELY SUPPORTED HOSPITALS AND THE PUBLIC HEALTH—ARTICLE FROM THE RECONSTRUCTIONIST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article relating to a study of New York hospitals, from the Reconstructionist of December 16, 1949, which appears in the Appendix.]

POINT FOUR'S HUMAN GOALS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Point Four's Human Goals," from the New York Times of December 5, 1949, which appears in the Appendix.]

EXAMPLES FOR THE WESTERN WORLD— ARTICLE BY THOMAS L. STOKES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Examples for the Western World," by Thomas L. Stokes, from the Chicago Sun-Times of December 27, 1949, which appears in the Appendix.]

STEEL PRICES AND STEEL PENSIONS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Steel Prices and Steel Pensions," from Minnesota Labor for December 30, 1949, which appears in the Appendix.]

The VICE PRESIDENT. The morning business is concluded.

REPEAL OF OLEOMARGARINE TAXES

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of House bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, I ask unanimous consent that the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, I offer for the RECORD at this point the report of the Senate Finance Committee on this bill. It is not a very voluminous report,

but it is a very carefully considered report, dealing with all of the amendments offered to the bill which passed the House some time ago and which was considered by the Senate Finance Committee during the first session of this Congress.

The VICE PRESIDENT. Without objection, the report will be printed at this point in the RECORD.

The report (No. 309) is as follows:

The Committee on Finance, to whom was referred the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

LEGISLATIVE BACKGROUND OF REGULATION OF OLEOMARGARINE THROUGH THE TAXING POWER

The act of August 2, 1886 (24 Stat. 209), defined "butter" and "oleomargarine" and imposed the following taxes on oleomargarine: Manufacturers, \$600; wholesalers, \$480; retailers, \$48; domestic oleomargarine, 2 cents per pound; and imported oleomargarine, 15 cents per pound. This tax statute contained packaging and labeling provisions and, in addition to providing for the forfeiture of unstamped oleomargarine, it provided for the forfeiture of oleomargarine which was adjudged to be deleterious to the public health.

It was clear from its inception that this exercise of the taxing power was primarily designed to achieve certain regulatory effects in the field of competition between oleomargarine and butter. In opening the Senate debate on this 1886 act, Senator Miller said:

"I resort to no subterfuges in this case, Mr. President. My object in bringing forward this bill and supporting it is, not to secure a large increase to the revenue of our Government; but I have sought to invoke the taxing power of the Government in order that under it the Government might take absolute control of this manufacture, might properly regulate it, and so regulate and control it that it should be carried on in a legitimate way and that the product should be sold to the consumer in all cases for what it is, and it is for that purpose that the friends of this measure have invoked the taxing power of the Government" (CONGRESSIONAL RECORD, July 17, 1886, p. 7073).

The present difference in tax treatment between yellow oleomargarine and other oleomargarine was inserted in the law by the act of May 9, 1902 (32 Stat. 193). The purpose of this differential tax treatment was to regulate further the competition of oleomargarine and butter. This act imposed a 10-cents-per-pound tax on oleomargarine artificially colored to look like butter.

By the act of March 4, 1931 (46 Stat. 1549), the 10-cent tax was made to apply to all oleomargarine which met a statutory definition of "yellow," whether or not colored artificially.

REVENUES

Total collections under all of the internal-revenue taxes on oleomargarine have been estimated by the Bureau of the Budget for the fiscal years 1949 and 1950 at \$16,000,000 for each year. Actual collections for the first 9 months of the fiscal year 1949 amount to \$13,401,608. The following table gives a break-down of the various internal-revenue taxes on oleomargarine for the fiscal years 1947 and 1948:

Internal-revenue taxes on oleomargarine

	Rates, present law	Collections (thousands of dollars) (actual), fiscal years—	
		1947	1948
Excise taxes:			
Colored oleomargarine.....	10 cents per pound.....	2,132	5,290
Uncolored oleomargarine.....	¼ cent per pound.....	1,441	2,066
Total excise taxes.....		3,573	7,356
Special taxes:			
Manufacturers.....	\$600 per year.....	34	23
Wholesale dealers:			
Colored oleomargarine.....	\$480 per year.....	74	132
Uncolored oleomargarine.....	\$200 per year.....	364	424
Retail dealers:			
Colored oleomargarine.....	\$48 per year.....	224	411
Uncolored oleomargarine.....	\$6 per year.....	1,604	1,460
Total special taxes.....		2,301	2,450
Total oleomargarine taxes.....		5,874	9,806

POWERS OF THE FEDERAL TRADE COMMISSION TO REGULATE COMPETITION BETWEEN OLEOMARGARINE AND BUTTER

Competition between yellow oleomargarine and butter in interstate commerce falls within the scope of the jurisdiction of the Federal Trade Commission to prevent unfair methods of competition and unfair or deceptive acts or practices. Section 5 (a) of the Federal Trade Commission Act (title 15; U. S. C., sec. 45 (a)) states:

"Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful."

Misrepresentation of oleomargarine as butter is prohibited by this section, and in the past the Federal Trade Commission has proceeded against labeling and advertising practices which were deceptive in confusing oleomargarine with butter.

PROTECTION AGAINST ADULTERATION AND MISBRANDING OF OLEOMARGARINE THROUGH THE FOOD, DRUG, AND COSMETIC ACT

The Federal Food, Drug, and Cosmetic Act in its present form prohibits the introduction of any adulterated or misbranded food in interstate commerce, and proffered delivery or receipt in interstate commerce of any adulterated or misbranded food.

On the basis of the testimony presented to your committee on this bill there does not appear to be any doubt but that the standards provided by the Food, Drug, and Cosmetic Act (Public Law 717, 75th Cong., 3d sess., June 23, 1939; U. S. C., title 21, sec. 301 et seq.) are adequate to protect against adulterated oleomargarine in interstate commerce.

With respect to the misbranding of food the act prohibits, in section 301 (k), "the alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to, a food, drug, device, or cosmetic, if such act is done while such article is held for sale after shipment in interstate commerce and results in such article being misbranded."

The United States Supreme Court held, in *U. S. v. Sullivan* (332 U. S. 689), with reference to section 301 (k) that—

"The language used by Congress broadly and unqualifiedly prohibits misbranding articles held for sale after shipment in interstate commerce, without regard to how long after the shipment the misbranding occurred, how many intrastate sales had intervened, or who had received the articles at the

end of the interstate shipment (332 U. S. 689, 696)."

Under the provisions of the Food, Drug, and Cosmetic Act the Federal Security Administrator, who is charged with its administration, has assumed jurisdiction over oleomargarine moving in interstate commerce. The administrator has established a standard of identity for oleomargarine in accordance with provisions of section 401 of the act, and oleomargarine in interstate commerce is regulated in accordance with this standard of identity.

EXPLANATION OF PROVISIONS OF THE BILL

The House bill (H. R. 2023) repeals the internal-revenue taxes on oleomargarine and permits the oleomargarine interests to sell their product in harmless colors of their own choice in free competition with butter unhindered by the burden of discriminatory Federal taxation. However, the bill eliminates any possibility that the consumer of table spreads will not know what he is getting. The competition between the two principal table spreads for consumer preference is to be free of confusion as to identity. At the present time oleomargarine which has moved in interstate commerce is required to meet the exacting requirements of the Federal Food, Drug, and Cosmetic Act with respect to labeling. There is little danger that the consumer of interstate oleomargarine will be confused as to the product he obtains. There remain however two principal levels at which confusion of identity may occur: One is at the restaurant level where the applicability of the Federal Food, Drug, and Cosmetic Act is uncertain, and the other exists with respect to oleomargarine produced and sold in the same State. The House bill (H. R. 2023) brings the regulation of colored oleomargarine squarely within the Federal Food, Drug, and Cosmetic Act, irrespective of the source of the oleomargarine, and specifically regulates the restaurant transaction of serving colored oleomargarine. Thus, intrastate colored oleomargarine would be held to the same standards respecting purity and labeling as colored oleomargarine which is shipped in interstate channels.

Of perhaps even greater importance than the elimination of the possibility for confusion of identity between colored oleomargarine and butter, the bill makes possible the effective regulation of colored oleomargarine and butter moving in interstate channels.

Oleomargarine is not dependent upon local supply of raw materials as is butter, which depends upon an adequate supply of fluid milk and cream, and it would be entirely

feasible and practicable to establish manufacturing in each of the several States to avoid the effects of the Federal law. It is clear that close regulation of colored oleomargarine from interstate producers, while oleomargarine of local production is left free of control, would in practical effect give local producers a great competitive advantage. The substitute for butter or sale as butter of colored oleomargarine not clearly identified as such, or which is otherwise adulterated or misbranded, would not only depress the interstate market in butter but would also bring colored oleomargarine which fully complies with Federal regulation into disrepute and depress the interstate market for it.

Without regulation of colored oleomargarine from all sources there cannot be effective regulation of that part of the colored oleomargarine which comes from out-of-State sources. As a matter of enforcement it would be difficult, and in some cases impossible, to prove that colored oleomargarine substituted or sold for butter had been previously in interstate commerce. The regulation of the whole is necessary in order to provide effective regulation of that part which originates from outside the State of consumption.

The regulation by Congress under the commerce power of purely intrastate transactions is constitutionally permissible if such regulation is reasonably necessary to protect interstate commerce and to make its regulation effective.

Following the *Shreveport Rate cases* (234 U. S. 342), in which it was held that railroad rates of an admittedly intrastate character and fixed by authority of the State might still be revised by the Federal Government because of the economic effects which they had upon interstate commerce, the Supreme Court has frequently sustained Federal regulations under the commerce power when applied to intrastate transactions (*Mulford v. Smith*, 307 U. S. 38; *United States v. Darby*, 312 U. S. 100; *Currin v. Wallace*, 306 U. S. 1; *United States v. Wrightwood Dairy Co.*, 315 U. S. 110; *Wickard v. Filburn*, 317 U. S. 102).

In *United States v. Wrightwood Dairy Co.*, supra (1942), the issue was raised as to whether a Chicago milk dealer who purchased milk within the State and sold it locally could be properly subjected to the provisions of the Agricultural Marketing Agreement Act of 1937 for the purpose of setting minimum prices. The Court in upholding this exertion of the Federal power states:

"The national power to regulate the price of milk moving interstate into the Chicago, Ill., marketing area extends to such control over intrastate transactions as is necessary and appropriate to make the regulation of the interstate commerce effective; and that it includes authority to make like regulations for the marketing of intrastate milk whose sale and competition with interstate milk affects its price structure so as in turn to affect adversely the congressional regulation" (p. 121).

In defining the scope of the commerce power the Court had this to say:

"The commerce power is not confined in its exercise to the regulation of commerce among the States. It extends to those activities intrastate which so affect interstate commerce or the exertion of the power of Congress over it, as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the granted power to regulate interstate commerce" (p. 119).

TECHNICAL PROVISIONS OF THE BILL WITH
EXPLANATION OF THE COMMITTEE AMEND-
MENTS

The first section of the bill (H. R. 2023) repeals section 2301 of the Internal Revenue Code, which sets the rate of tax on oleomargarine at one-fourth cent per pound and at 10 cents per pound if yellow in color, declares by whom and how the tax shall be paid, and the manner of assessment.

Section 2 repeals the occupational taxes on oleomargarine manufacturers, wholesalers, and retailers and provides that such repeal shall not entitle any manufacturer, wholesaler, or retailer to a refund of any occupational tax heretofore paid.

The committee makes no amendments to the first two sections of the bill.

Section 3 (a) comprises a declaration and finding that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such, or which is otherwise adulterated or misbranded, burdens interstate commerce by depressing the market for butter and for oleomargarine or margarine which is clearly identified and which is neither adulterated nor misbranded. This burden exists irrespective of whether such oleomargarine originates from an interstate source or from the State or Territory in which it is sold. The committee makes no amendment to the declaration and finding contained in this subsection.

Section 3 (b) amends section 301 of the Federal Food, Drug, and Cosmetic Act by adding a new paragraph thereto which prohibits the serving of colored oleomargarine or colored margarine in violation of the new section 407 (b) of such act. Section 407 (b) regulates not only the public eating place transaction of serving colored oleomargarine or colored margarine but also places certain requirements upon public eating places which possess colored oleomargarine or colored margarine in a form ready for serving. A violation therefore can occur without an actual serving if the public eating place has in its possession colored oleomargarine or colored margarine in a form ready for serving without complying with the provisions of 407 (b). The committee amendment to section 3 (b) clarifies this point and brings the amendment made in section 3 (b) in line with the new section 407 (b) of the Federal Food, Drug, and Cosmetic Act. Paragraph (m) of section 301 of the Federal Food, Drug, and Cosmetic Act without the committee amendment reads as follows:

"(m) The serving of colored oleomargarine or colored margarine in violation of section 407 (b)."

With the committee amendment it will read:

"(m) The serving or the possessing in a form ready for serving of colored oleomargarine or colored margarine in violation of section 407 (b)."

Section 3 (c) amends chapter IV of the Federal Food, Drug, and Cosmetic Act by adding thereto a new section (sec. 407). Subsection (a) of section 407 subjects colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced to the same controls under the act as if it had been introduced in interstate commerce. Thus, intrastate oleomargarine or margarine, if it is colored as defined in 407 (d), will be held to the same standards respecting labeling and purity as colored oleomargarine or colored margarine which is shipped in interstate channels. The committee makes no amendments to this subsection.

Subsection (b) of section 407 specifically regulates the use of colored oleomargarine or colored margarine by public eating places. Subsection (b), as it passed the House, appears to require persons who possess colored oleomargarine or colored margarine in a form

ready for serving at public eating places to (1) post a notice that oleomargarine or margarine is served in a prominent and conspicuous place in the establishment, or (2) to place such a notice on the menu in type or lettering not smaller than that normally used to designate other food items, or (3) to keep such oleomargarine or margarine only in a form which is molded and shaped so as to have three sides (exclusive of the ends). Subsection (b) of section 407 would appear further to require that persons who serve colored oleomargarine or margarine at a public eating place (1) cause each separate serving thereof to bear labeling, or to be accompanied by labeling, identifying it as oleomargarine or margarine, or (2) cause each separate serving thereof to be triangular in shape.

The committee feels that subsection (b) in the form in which it passed the House is somewhat ambiguous. Although the foregoing would appear to be what the language of the subsection says, other interpretations are possible and have been offered. The committee amendment seeks therefore to clarify subsection (b), to make its terms explicit, and eliminate the possibility for misinterpretation and confusion. Since the requirements of 407 (b) are enforceable by criminal actions as well as suits for injunction (secs. 302 and 303, Federal Food, Drug, and Cosmetic Act), it is very essential that the language of this subsection be clear and unmistakable.

Subsection (b) as amended by your committee requires persons who possess colored oleomargarine or colored margarine in a form ready for serving at public eating places to (1) post a notice that oleomargarine or margarine is served in a prominent and conspicuous place in the establishment, or (2) place such a notice on the menu in type or lettering not smaller than that normally used to designate other food items. Persons who shall serve colored oleomargarine or colored margarine at a public eating place are required to (1) cause each separate serving thereof to bear labeling, or to be accompanied by labeling, identifying it as oleomargarine or margarine, or (2) cause each separate serving thereof to be triangular in shape.

Subsection (c) of section 407 exempts colored oleomargarine or margarine from most of the labeling requirements of section 403 of the act at the time of service at public eating places, provided compliance is had with the requirements of subsection (b) discussed above. Exception is made of section 403 (a) and 403 (f). By section 403 (a) a food becomes misbranded if its labeling is false or misleading in any particular. Section 403 (f) specifies that identifying marks shall be prominently placed on the food "with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use."

These provisions would require that the word "oleomargarine" or "margarine" appear in some contrasting color either on the receptacle, or on a wrapping, or on a slip placed upon the individual pat or serving. The requirement that each separate serving bears labeling identifying it as oleomargarine or margarine is not met by imprinting the word oleomargarine or margarine on the individual pat constituting the serving. The yellow color makes it difficult to read the imprint and such pats tend to melt at room temperature. The committee makes no amendment to this subsection.

Subsection (d) of section 407 defines colored oleomargarine or colored margarine. The definition is drawn from the Oleomargarine Tax Act. If it is any color other than one within the defined ranges, the provisions of the amendment will not apply. The committee makes no amendment to this subsection.

Section 4 of the bill provides for the transfer of funds available for enforcement of the Oleomargarine Tax Act to the Food and Drug Administration. These funds will be made available to that Administration in an amount determined to be proper by the Director of the Bureau of the Budget. There is to be no lapse of time between repeal of the tax statute and enforcement of the controls provided in the amended Federal Food, Drug, and Cosmetic Act. The committee makes no amendment to this section.

Section 5 of the bill, as it passed the House, declares that "this act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted."

The committee feels that as a matter of policy this section seeks to and should accord to the various States and Territories the right to ban the possession, sale, or serving of colored oleomargarine or colored margarine, or to place upon its use or sale additional requirements not in conflict with the Federal law. The language of section 5, however, as it passed the House is sufficiently broad to permit a State or Territory to circumvent the Federal law entirely and to permit the completely unregulated use and sale of colored oleomargarine or colored margarine within its jurisdiction. To permit this would defeat the policy and purpose upon which the Federal regulation is predicated. The committee amends section 5, therefore, to read as follows:

"Sec. 5. Nothing in this act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory."

The committee feels that section 5, as amended, reserves to the States and Territories the power to regulate colored oleomargarine or colored margarine in harmony with the Federal law but does not grant to the States and Territories the power to destroy the effectiveness of the Federal law which is designed to provide a minimum of protection to consumers of butter and colored oleomargarine, and to assure honesty, fair dealing, and an absence of all deception in the competitive sale of such products.

The committee amendment to section 6 of the bill makes the act effective on July 1, 1949. The provisions of section 6 as it passed the House made the repeal of the special occupational taxes on manufacturers, wholesalers, and retailers of oleomargarine effective 30 days after enactment, or July 1, 1949, which ever date is earlier, and denies refund of taxes previously paid. This might produce inequitable results. The special-tax year commences July 1, and the tax is due for the whole year in case of one in business during the month of July, and for the balance of the year in case of one commencing business after the month of July. Therefore, if the special taxes should be repealed as of June 1, 1949, a person who prior thereto paid the tax for the current special-tax year ending June 30, 1949, will have paid a tax (which is not refundable) for the month of June; whereas a person commencing business in June would not incur any special-tax liability for the remainder of the current special-tax year. In order to avoid this type of inequity the committee feels that the act should have one effective date and that it should be July 1, 1949.

In the opinion of your committee the bill (H. R. 2023), as amended, is in the public interest and should be enacted without delay.

Mr. WILEY. Mr. President, at this time I offer in the nature of a substitute for H. R. 2023, an amendment on which appear the names of the Senator from Iowa [Mr. GILLETTE], the Senator from Nebraska [Mr. BUTLER], the Senator from Minnesota [Mr. THYE], the

Senator from Kentucky [Mr. WITHERS], the Senator from Washington [Mr. MAGNUSON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Idaho [Mr. TAYLOR], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from North Dakota [Mr. YOUNG], the Senator from Oregon [Mr. MORSE], the senior Senator from South Dakota [Mr. GURNEY], the junior Senator from South Dakota [Mr. MUNDT], the Senator from Vermont [Mr. AIKEN], the Senator from Nevada [Mr. ECTON], the Senator from Indiana [Mr. JENNER], the Senator from Washington [Mr. CAIN], the Senator from Wisconsin [Mr. McCARTHY], the Senator from Indiana [Mr. CAPEHART], the Senator from Colorado [Mr. JOHNSON], the Senator from Oregon [Mr. CORDON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Missouri [Mr. DONNELL], the Senator from Vermont [Mr. FLANDERS], the Senator from Michigan [Mr. FERGUSON], and the Senator from Wisconsin [Mr. WILEY].

The PRESIDING OFFICER (Mr. HILL in the chair). The amendment will be received, printed, and lie on the table.

The amendment in the nature of a substitute submitted by Mr. WILEY for himself and other Senators is as follows:

Strike out all after the enacting clause and in lieu thereof insert the following:

"DEFINITIONS

"SECTION 1. (a) The term 'oleomargarine' as used in this act includes—

"(1) all substances, mixtures, and compounds, known as oleomargarine, margarine, oleo, or butterine;

"(2) all substances, mixtures, and compounds which have a consistency similar to that of butter and which contain any edible oils or fats other than milk fat if (A) made in imitation or semblance of butter, or purporting to be butter or a butter substitute, or (B) commonly used, or intended for common use, in place of or as a substitute for butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used, or suitable for common use, as a substitute for butter.

"(b) For the purposes of this act, 'yellow oleomargarine' is oleomargarine, as defined in subsection (a) of this section, having a tint or shade containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, measured in terms of the Lovibond tintometer scale read under conditions substantially similar to those established by the Bureau of Internal Revenue, or the equivalent of such measurement.

"(c) The term 'commerce' as used in this act, means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

"PROHIBITED ACTS

"SEC. 2. The manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce as yellow oleomargarine, or in connection with the production of yellow oleomargarine for shipment in commerce, is hereby declared unlawful: *Provided, however,* That yellow oleomargarine

manufactured or colored within the borders of a State or Territory in which it is to be consumed shall not be subject to the provisions of this act but shall be subject to the laws and regulations of such State or Territory. Nothing contained in this act shall be construed to limit in any way the applicability of the Federal Food, Drug, and Cosmetic Act.

"ENFORCEMENT

"SEC. 3. The Administrator of the Federal Security Agency is authorized and directed to administer and enforce this act and to prescribe and enforce rules and regulations to carry out its purposes and policies. The enforcement provisions of the Federal Food, Drug, and Cosmetic Act, including the provisions relating to injunctions and seizure, shall be available for the enforcement of this act.

"PENALTIES

"SEC. 4. Any person, firm, or corporation violating any of the provisions of this act, or of the rules and regulations issued in connection therewith, and any officer, agent, or employee thereof who directs or knowingly permits such violations, or who aids or assists therein, shall upon conviction thereof be subject to punishment in the same manner and to the same extent as persons who violate the Federal Food, Drug, and Cosmetic Act.

"APPROPRIATIONS

"SEC. 5. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the adequate enforcement of this act.

"REPEAL

"SEC. 6. The following sections of the Internal Revenue Code (relating to taxes on colored and uncolored oleomargarine, to special occupational taxes on manufacturers, wholesalers, and retailers of oleomargarine, and to packaging, reporting, and other regulations of oleomargarine) are hereby repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201, (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201)."

Mr. GEORGE. Mr. President, the distinguished Senator from Arkansas [Mr. FULBRIGHT], who is one of the proponents of the measure, will now address the Senate.

Mr. FULBRIGHT. Mr. President, the bill before the Senate is House bill 2023, which passed the House during the first session of the Eighty-first Congress by a vote of 287 to 89. I may say that a very similar bill was approved by the House of Representatives in the second session of the Eightieth Congress by a vote of 260 to 106.

The measure was unanimously reported by the Senate Finance Committee on April 28, 1949, with the recommendation that "in the opinion of your committee the bill, H. R. 2023, as amended, is in the public interest and should be enacted without delay," and has been pending on the Senate Calendar since that time. Late in the last session the Democratic policy committee voted unanimously to make this bill the first order of business in this session.

In response to that decision, the able senior Senator from Georgia [Mr. GEORGE] has called up House bill 2023, and I wish to thank him for his action.

The time has come for the Senate to express itself on this matter. The House not only passed this bill by an over-

whelming vote in the last session but approved a similar bill during the last session of the Eightieth Congress. The Senate Finance Committee reported that measure in late May 1948, but the Senate did not vote on the bill.

I should like to describe briefly the provisions of House bill 2023. It is a bill which repeals the Federal antimargarine laws that have existed in one form or another for more than 60 years. Specifically, House bill 2023 would repeal Federal taxes imposed on margarine annually as follows: Retailers handling colored margarine, \$48, uncolored margarine, \$6; wholesalers handling colored margarine, \$480, uncolored margarine, \$200; a 10-cent-a-pound tax on colored margarine, a tax of one-fourth cent a pound on uncolored margarine, and a tax on manufacturers of \$600.

The measure also provides that a public eating place serving yellow margarine must post a notice to that effect, or print such a notice on the menu. In addition, each separate serving of yellow margarine must be identified as such when it is served, or, as an alternative, it must be served in a triangular shape. Violation of this provision is a Federal offense, and enforcement is in the hands of the Federal Food and Drug Administration.

On that point I wish to quote one paragraph from page 3 of the report, as follows:

On the basis of the testimony presented to your committee on this bill there does not appear to be any doubt but that the standards provided by the Food, Drug, and Cosmetic Act (Public Law 717, 75th Cong., 3d sess., June 23, 1939; U. S. C., title 21, sec. 301, et seq.) are adequate to protect against adulterated oleomargarine in interstate commerce.

The bill reported by the Senate Finance Committee is almost identical with that approved by the House on April 1, 1949; the differences result from a committee amendment which changes the effective date, and from three minor clarifying amendments.

Before discussing the issues involved in this matter, I should like to remind the Senate that repeal of the Federal antimargarine laws was a plank in the 1948 Democratic platform. The President has said that he will sign a repeal bill if he has the opportunity.

Mr. President, the question of repealing the antimargarine laws has been talked about a great deal during the past few years. Many of my colleagues are familiar with the arguments for eliminating the taxes and restrictions, as well as the arguments for their retention.

Margarine today is a perfectly good food product, whose nutritive value is fully equal to that of butter.

In this connection, I refer the Senate to studies and reports by the New York Academy of Medicine, by the Food and Nutrition Board of the National Research Council, and by Dr. Harry Leichter, Dr. George Eisenberg, and Dr. Anton J. Carlson, of the University of Illinois College of Medicine. Those reports are contained in the hearings.

The principal ingredients of margarine are domestic fats and oils, cotton-

seed and soybean oils being used for the most part, although some peanut and corn oil also are utilized. About 16 percent of margarine is pasteurized, cultured skim milk, and over 99 percent of all margarine is fortified with 15,000 units of vitamin A.

The only basic difference between margarine and butter is that margarine is vegetable fat and butter an animal-fat product.

Margarine competes with butter and has sold, on the average over the years, for about half the price of butter. This competition was the reason for the enactment of the first Federal antimargarine laws, and is the reason why there is strong opposition today to repeal.

The first Federal antimargarine law was imposed in 1886, years before there was any protective pure-food Federal legislation. At the time margarine was made primarily from oleo fat and beef or animal fat. No Federal standard of identity for margarine had been established, and margarine and many other foods were inferior to the present-day products.

Significantly, the issues of color and fraud, now primary concerns with those fighting margarine, were almost ignored in the 1886 debates. The law enacted then imposed a tax of 2 cents a pound on all margarine, both white and yellow. Senator Miller, of New York, one of the principal proponents of the bill, frankly described the purpose of that first measure. He said on the Senate floor:

I want no money from this bill in the Treasury. I want protection to the dairy industry of New York. I want it to go so far as to exterminate the rival industry, if necessary.

After the passage of that first punitive bill, it seemed for a time that margarine had been put out of existence. Production dropped sharply at first, only to rise again. The foes of margarine decided they had their work to do all over again.

The second Federal antimargarine bill was enacted in 1902. It reduced the tax on white margarine to one-fourth cent a pound and raised the tax on colored margarine to 10 cents a pound. As I have stated, there was little or no reference to color, or fraud, in the 1886 discussions. In 1902 margarine's opponents stressed the color and fraud angles.

However, Representative John Sharp Williams, who later became Senator from Mississippi, quoted the Commissioner of Internal Revenue as saying that even in those days, before pure-food legislation, very little margarine was sold as butter. Representative Williams charged that the aim of the legislation was to destroy margarine.

After 1902 margarine sales dropped, only to increase once more. Furthermore, margarine manufacturers developed a process for making naturally colored margarine by using palm oil and some beef fat. The Commissioner of Internal Revenue ruled in 1929 that margarine made with these natural oils could be sold without the payment of the 10-cent tax.

The butter forces tried once more. In 1931 the 1902 act was amended by placing a tax of 10 cents a pound on all colored margarine, whether naturally or

artificially colored. I wish to emphasize the point that the act of 1931 prohibited the making of naturally colored margarine, that is, margarine which got its color from the natural color of the ingredients. Colored margarine was described as margarine having a tint or shade containing more than 1.6° of yellow, or yellow and red collectively. In 1931 considerable quantities of imported fats and oils were used in margarine, but today the product is made almost exclusively from domestic fats and oils.

I have sketched this history of the antimargarine acts in an effort to substantiate my belief that the real aim of antimargarine legislation is to destroy, if possible, the margarine industry and, if that object could not be achieved, to cripple it as much as possible. As late as June 18, 1941, the Dairy Record, which represents the dairy industry, said:

The dairy industry must set as its goal the complete extermination of margarine. It must never rest until the manufacture and sale of oleomargarine has been outlawed in this country.

The butter industry has shifted its arguments to meet changing situations, and has shifted them again only recently. Always, however, these arguments plead for legislative discrimination against margarine. The butter industry does not want to compete fairly and squarely in the market place, and has used the Congress and the State legislatures to prevent that competition.

The butter industry claims that repeal of the antimargarine laws would ruin, or injure gravely, the dairy industry. This is the crux of butter's case, and undoubtedly will be stressed over and over again during this debate.

I do not believe that repeal will injure the dairy industry, much less destroy it. There is not even proof that repeal will do any great amount of damage to butter. Regardless of that question, however, any industry is on very shaky ground when it asks the Congress for legislation aimed at a domestic competitor because it fears damage from competition. There should be some weighty and urgent reasons indeed if we enact, or continue, punitive legislation against an industry on the plea of a competitive industry.

The dairy industry tries to make the case that its existence is inextricably involved with the national welfare. I regard the dairy industry as highly important. Yet, there are many other highly important industries, farm industries among them, which have keen competition, and which meet it without asking for legislation that hamstringing that competition. There are, for example, almost one and a half million farm families that grow cotton. The entire economy of the South depends to a great extent upon cotton. Nevertheless, cotton meets severe competition from the synthetics without asking that we tax or discriminate legislatively against rayon, or nylon.

The broad point of view on this question was expressed before the Senate Finance Committee last spring by a dairyman, Merritt M. Nash, of Fall City, Wash. He was asked by the Senator from Nebraska [Mr. BUTLER] what his

attitude would be if a good synthetic substitute for fluid milk came along. This is a part of his answer:

I will say this: I will never stand in the road of progress, not if it puts me out of business. You know, my grandfather, among other things, manufactured carriages, buggies, horse buggies. And when my father bought a Ford, back in 1909, my grandfather disowned him and cut him off with a dollar in his will. "Because," he said, "this is going to be the ruin of this country. It is putting me out of business, and it is putting 25 people who work for me out of business."

But do you think, over the long pull, it was a bad thing to have the automobile industry come in? Every time there is an economic change or a phase of development in this country, it means that a certain segment of our society will be damaged or hurt while we are making that transformation.

Mr. BUTLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the Chair). Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. FULBRIGHT. I yield for a question.

Mr. BUTLER. The Senator from Arkansas referred to a question which the Senator from Nebraska asked of a witness from Washington State at the time of the hearing. I wonder if the Senator from Arkansas considers the reply made by the witness to be a fair reply to the question asked of the witness by the Senator from Nebraska? The witness in his answer made use of the "horse-and-buggy day," which has been succeeded by the day of the automobile, and so forth, as an illustration of what he would do in case a substitute was found for fluid milk. Personally I do not think the example is a very good one, because fluid milk is a product of nature. The horse and buggy, the carriage, and such conveyances, resulted from a process of manufacture. In my opinion the illustration used by the witness is not a very good one.

Mr. FULBRIGHT. I think that is clarified a little by the remainder of the witness' answer. I had not completed the reading of his answer. I doubt, however, that a horse would be considered a manufactured article any more than milk is. It was an integral part of the analogy, which seems to me to be quite a good one. Let me conclude the reading of the witness' answer.

Mr. BUTLER. The reference by the witness, however, was not to the horse, but to the vehicle which the horse drew.

Mr. FULBRIGHT. The horse accompanied the buggy. It is just as much a part of the picture, I think, as the buggy itself. I will say that later on we may have an analogy to the horse. I do not understand why the dairy industry has not attempted to outlaw tractors, because dairymen rely very heavily on the kind of fertilizer which the cow produces, which is not substantially greater than a horse produces under the same conditions.

I wish to continue reading the answer of Mr. Merritt Nash. I desire to emphasize that this witness is a dairyman. He is not a manufacturer of oleomargarine. He appeared before the committee as a practicing, practical dairyman. He said further in answer to the question asked

of him by the senior Senator from Nebraska:

"If we were, Senator, ever able to produce a synthetic product that had all of the wonderful qualities of fluid milk and could promote the health of our Nation in the way that fluid milk and butter can, I would be among the first to say, 'Mister, if you can produce it with less effort and less cost than I can produce milk, tomorrow I will sell every cow I have got and get into your business or some other one.'"

It seems to me that answer is a very direct answer to the question propounded to him by the Senator from Nebraska as to what he would do.

This is the broad and statesmanlike point of view, but we do not need to weigh it here. The facts show clearly that there is little danger to dairying from repeal of the antimargarine laws. And there is good ground for thinking that repeal may actually help the dairy industry.

In the first place, butter is the least profitable use for milk. This explains, more than any competition from margarine, the decline in butter production during the past few years.

For example, a hundred pounds of milk, when used for distribution as milk or cream, averaged \$5.40 per hundred pounds in the January-November period this year. For all whole milk uses, the average for the period was \$3.98 per hundred pounds, but the butterfat in the milk used for butter during this period averaged only \$2.46 per hundred pounds. Data on the value of milk used for butter, including an allowance for the value of the byproduct skim milk, are available for only 3 years of this period.

The milk sold as milk and cream was worth more than twice as much as the milk sold only for the manufacture of butter.

I ask at this point unanimous consent to insert in the RECORD an exhibit showing comparative prices received for the different major uses of milk in the 1939-49 period.

There being no objection, the table marked "Exhibit I," was ordered to be printed in the RECORD, as follows:

EXHIBIT I.—Comparative prices received for milk for the different major uses, 1939-49

(All national average butterfat basis)

Year	Average price per 100 pounds		
	For fluid milk or cream (approximate)	For all whole milk uses (including fluid)	For butter (butterfat) ¹
1939.....	\$2.45	\$1.68	\$0.94
1940.....	2.51	1.82	1.11
1941.....	2.72	2.18	1.36
1942.....	3.16	2.57	1.57
1943.....	3.69	3.12	1.99
1944.....	3.78	3.21	2.00
1945.....	3.81	3.19	2.00
1946.....	4.46	3.96	2.56
1947.....	5.36	4.26	2.86
1948.....	5.88	4.50	3.17
1949 (January to November).....	5.40	3.98	2.46

¹ On a basis of sale for butterfat only. Data on sale as whole milk would show some increase, but these data are fragmentary.

Source: U. S. Bureau of Agricultural Economics.

Mr. FULBRIGHT. Mr. President, butter, to repeat, is the least profitable use for milk. It aptly has been called a loss leader for the dairy industry.

Butter production has declined about one-fourth over the past 10 years. Total butter production in 1940 was 2,240,000,000 pounds and the estimate for 1949 is 1,700,000,000 pounds, and 1949 was one of butter's best recent years. I may add that the production in 1948 was not so great. The estimate for 1949 is 200,000,000 pounds greater than was the actual production in 1948.

The decline in butter production, however, has not been accompanied by the disruption of the dairy industry. The industry's most prosperous years have accompanied falling butter production. Total cash receipts from the sale of dairy products rose from \$1,345,000,000 in 1939 to approximately \$4,433,000,000 in 1948. Total cash receipts from dairying probably will show a decline in 1949 but the figure still will be substantially above the prewar years.

Some of the extra cash in the dairy-men's pockets has been due to the general rise in prices, but much of it has been due to the fact that the demand for fluid milk has gone up so sharply. People had money to buy more fluid milk; they wanted it and they bought it. The dairy-men sold less of their product as butter, an unprofitable use, and more of it as fluid milk and for the other more profitable uses.

I ask unanimous consent to insert at this point in my remarks tables showing butter as a source of dairy income in the 1940-48 period and the use of milk in butter during this same period. (Exhibits II and III.)

There being no objection, the tables marked "Exhibit II" and "Exhibit III" were ordered to be printed in the RECORD, as follows:

EXHIBIT II.—Percent of dairy cash income from butter

State	1940	1947	1948
Maine.....	12.15	8.86	8.06
New Hampshire.....	2.88	2.18	1.99
Vermont.....	4.11	.82	.69
Massachusetts.....	.63	.59	.49
Rhode Island.....	.43	.08	.08
Connecticut.....	.46	.20	.23
New York.....	1.66	1.04	.91
New Jersey.....	.14	.11	.11
Pennsylvania.....	3.03	2.04	1.83
North Atlantic.....	2.31	1.44	1.28
Ohio.....	14.61	7.18	6.16
Indiana.....	21.80	10.24	8.96
Illinois.....	18.92	11.15	10.28
Michigan.....	25.65	12.75	11.24
Wisconsin.....	14.45	1.58	1.77
East North Central.....	17.95	6.69	5.99
Minnesota.....	72.93	38.20	39.68
Iowa.....	75.28	60.92	68.55
Missouri.....	38.85	17.48	16.99
North Dakota.....	84.18	87.70	87.90
South Dakota.....	80.19	79.78	79.81
Nebraska.....	66.04	63.28	61.42
Kansas.....	54.44	41.57	42.41
West North Central.....	67.58	49.13	48.42
Delaware.....	1.92	.49	.37
Maryland.....	2.22	1.02	.93
Virginia.....	14.19	12.05	10.67
West Virginia.....	17.32	17.64	15.67
North Carolina.....	14.55	8.32	7.25

EXHIBIT II.—Percent of dairy cash income from butter—Continued

State	1940	1947	1948
South Carolina.....	10.71	8.91	8.21
Georgia.....	14.02	10.79	9.56
Florida.....	1.64	.70	.61
South Atlantic.....	9.73	7.49	6.70
Kentucky.....	26.53	19.47	18.56
Tennessee.....	21.87	8.69	8.18
Alabama.....	15.19	10.32	9.78
Mississippi.....	18.97	6.51	5.82
Arkansas.....	36.10	24.53	23.14
Louisiana.....	6.48	2.37	2.10
Oklahoma.....	50.78	35.00	34.18
Texas.....	26.37	13.79	12.56
South Central.....	28.39	16.35	15.37
Montana.....	43.97	46.43	46.47
Idaho.....	37.71	11.30	9.91
Wyoming.....	36.93	33.12	31.54
Colorado.....	33.35	28.66	29.12
New Mexico.....	29.63	18.74	18.90
Arizona.....	13.66	2.61	2.71
Utah.....	19.57	9.13	8.86
Nevada.....	40.26	20.01	19.49
Washington.....	25.45	9.81	9.54
Oregon.....	30.87	12.54	14.35
California.....	10.41	.82	.92
West.....	21.28	8.59	8.63
United States.....	24.30	14.79	14.03

Source: U. S. Bureau of Agricultural Economics.

EXHIBIT III.—Proportion of milk production used for butter

State	1940	1947	1948
Maine.....	22.93	16.46	16.31
New Hampshire.....	6.37	4.69	4.84
Vermont.....	5.41	1.63	1.38
Massachusetts.....	1.85	1.68	1.46
Rhode Island.....	1.47	.77	.76
Connecticut.....	1.94	1.01	1.05
New York.....	3.60	2.23	2.04
New Jersey.....	.93	.74	.74
Pennsylvania.....	7.56	4.38	4.04
North Atlantic.....	5.27	3.16	2.95
Ohio.....	22.33	10.76	10.04
Indiana.....	30.26	13.74	12.66
Illinois.....	28.39	15.75	15.13
Michigan.....	34.21	16.82	15.28
Wisconsin.....	15.60	1.89	2.22
East North Central.....	23.33	8.94	8.51
Minnesota.....	74.49	40.86	42.62
Iowa.....	76.34	69.11	67.81
Missouri.....	49.68	24.13	24.31
North Dakota.....	83.74	81.34	81.10
South Dakota.....	80.99	75.43	75.09
Nebraska.....	72.73	65.77	64.54
Kansas.....	63.78	47.92	48.85
West North Central.....	71.75	52.63	52.38
Delaware.....	5.56	1.69	1.70
Maryland.....	6.94	2.99	2.74
Virginia.....	37.96	28.20	26.73
West Virginia.....	39.48	30.61	29.31
North Carolina.....	45.07	31.52	29.33
South Carolina.....	42.49	34.57	33.73
Georgia.....	48.15	39.02	36.67
Florida.....	11.95	6.02	5.47
South Atlantic.....	35.15	25.50	24.11
Kentucky.....	43.02	29.44	28.98
Tennessee.....	43.46	25.96	24.34
Alabama.....	52.06	43.33	42.48
Mississippi.....	45.69	29.49	28.32
Arkansas.....	56.55	39.51	38.70
Louisiana.....	22.13	16.11	15.85
Oklahoma.....	58.49	41.74	40.80
Texas.....	43.18	28.10	26.48
South Central.....	46.92	31.94	30.78
Montana.....	62.79	53.79	54.02
Idaho.....	43.97	14.71	13.61
Wyoming.....	53.08	43.10	41.70
Colorado.....	47.05	39.20	38.82
New Mexico.....	50.52	31.93	31.09
Arizona.....	25.43	8.68	7.94
Utah.....	25.64	13.24	13.01

EXHIBIT III.—Proportion of milk production used for butter—Continued

State	1940	1947	1948
	Percent	Percent	Percent
Nevada.....	58.49	29.00	28.43
Washington.....	33.93	15.35	14.94
Oregon.....	40.46	18.24	19.92
California.....	17.15	1.88	2.01
West.....	32.27	13.97	13.95
United States.....	37.60	22.88	22.18

Source: U. S. Bureau of Agricultural Economics.

Mr. FULBRIGHT. Mr. President, I do not propose to attempt to analyze these exhibits in detail, but some of the data shown are very interesting and significant. In 1940, for example, Wisconsin sold 15.60 percent of its milk as butter. In 1948, 2.22 percent of Wisconsin's milk went into butter. In 1940, 14.45 of Wisconsin's dairy cash income came from butter. In 1948 only 1.77 of Wisconsin's dairy cash income came from butter.

In view of this trend I wonder a bit at the concern manifested by the able senior Senator from Wisconsin over the possibility that the antimargarine laws may be repealed.

It seems to me that the dairymen of his State have comparatively little interest in this matter. As progressive and foresighted dairymen should, Wisconsin dairymen are selling their milk where it will bring the most money, and as I have repeatedly pointed out, butter is not one of these uses.

The able senior Senator from Vermont [Mr. AIKEN] is listed as one of the co-sponsors of the amendment to H. R. 2023, submitted a few moments ago by the Senator from Wisconsin [Mr. WILEY], to confine the manufacture and sale of yellow margarine within State lines. So is his distinguished colleague [Mr. FLANDERS]. I shall refer to this as the Wiley amendment for purposes of reference, using the name of one of its distinguished sponsors. The measure referred to is an antimargarine amendment, and I propose to discuss it in more detail later. Just the same, I am wondering why Vermont's Senators are fighting butter's battle. Even as far back as 1940, only 4.11 percent of Vermont's dairy cash income came from butter. In 1948 this percentage was a puny 0.69 percent. Less than 1 percent of the dairy cash income came from butter.

On November 8, 1949, Ohio voters, by a majority of 483,000, legalized the manufacture and sale of yellow margarine in that State. I plan to refer to the Ohio election later in this discussion, but, in passing, I might comment that only 6.16 percent of Ohio's dairy cash income came from butter in 1948, as compared to 14.61 percent in 1940. These figures may help to explain why so many dairy farmers voted for repeal in Ohio.

Summed up, the exhibits tell us what I have already stated—that butter has steadily declined in importance to dairying during a period of extraordinary prosperity to the industry.

I am not a dairyman, but I doubt, in this period of high labor costs and high feed costs, that there is any money to be

made if milk is sold only for the production of butter at an average of \$2.46 per hundred pounds. I strongly suspect that the dairy industry as a whole would be better off if some dairymen did not have an obsession about butter, an obsession created and maintained by propaganda. The dairymen, to make money, must concentrate upon the sale of milk where it will bring the highest return. At the risk of belaboring a point, let me say that this highest return is not from butter.

One factor, which deserves special mention in the dairy-industry high income in recent years has been the increase in the production of milk. This, mind you, has taken place during the very years when less and less butter was being manufactured. The production of milk has risen from 106,792,000,000 pounds in 1939 to an estimated produc-

tion of 118,000,000,000 pounds in 1949, a tremendous increase indeed.

Margarine production registered large increases during these 11 years also. In 1939, for example, about 301,000,000 pounds of margarine were made in this country; the estimate for 1949 is 850,000,000 pounds. Surely, if margarine represents the threat to dairying that some contend, the big jump in the output of margarine over the past 11 years already would have had its effect. Instead, both dairy income and milk production also have gone on upward.

I ask permission to insert in the RECORD at this point tables showing the production of milk, butter, and margarine in the 1939-49 period—exhibit IV.

There being no objection, the table marked "Exhibit IV" was ordered to be printed in the RECORD, as follows:

EXHIBIT IV.—Milk, butter, and margarine production, 1939-49

Year	Total milk production on farms	Butter production			Margarine production
		Creamery	Farm ¹	Combined	
	(Million pounds)	(Thousand pounds)	(Thousand pounds)	(Thousand pounds)	(Thousand pounds)
1938.....	105,807	1,786,172	453,990	2,240,162	385,233
1939.....	106,792	1,781,737	486,015	2,267,752	300,856
1940.....	109,502	1,836,826	402,690	2,239,516	320,402
1941.....	115,268	1,872,183	395,476	2,267,659	367,587
1942.....	118,884	1,764,054	366,370	2,130,424	425,749
1943.....	117,785	1,673,788	341,120	2,014,908	614,144
1944.....	117,992	1,488,502	329,148	1,817,650	588,214
1945.....	121,504	1,363,717	336,990	1,700,707	614,028
1946.....	119,713	1,171,339	333,780	1,505,119	572,520
1947.....	119,065	1,329,094	315,840	1,644,934	745,940
1948.....	115,511	1,210,042	298,520	1,508,562	903,712
1949 (estimate).....	118,000	1,400,000	300,000	1,700,000	850,000

¹ In 1948, about 10 percent of farm butter was sold into consumption off the farm.

Source: U. S. Bureau of Agricultural Economics.

Mr. FULBRIGHT. But, Mr. President, the butter interests argue there has been a decline in the number of dairy cattle in the past few years, and that this demonstrates the adverse effect upon dairying of margarine's upturn.

I find no substance in these charges. From 1944 to 1948, there was a decrease in the number of milk cows on farms from 25,775,000 to 22,935,000. The butter industry uses these figures in an attempt to prove its point. However, this is an instance, in my opinion, of fitting the figures to the case, and not the case to the figures. In doing so, several important factors are ignored.

First of all, as all students of the livestock industry will agree, there is a cycle in cattle and dairy cow numbers. I ask unanimous consent to insert at this point in my remarks a table which illustrates this cycle.

There being no objection, the table marked "Exhibit V," was ordered to be printed in the RECORD, as follows:

EXHIBIT V.—Milk cow numbers and production per cow, 1924-49

Year	Number of cows ¹	Production per cow ²
	Thousands	Pounds
1924.....	21,417	4,167
1925.....	³ 21,503	4,218
1926.....	21,312	4,379
1927.....	⁴ 21,191	4,491
1928.....	21,223	4,516
1929.....	21,618	4,579

Footnotes at end of table.

EXHIBIT V.—Milk cow numbers and production per cow, 1924-49—Continued

Year	Number of cows ¹	Production per cow ²
	Thousands	Pounds
1930.....	22,218	4,503
1931.....	23,108	4,459
1932.....	24,105	4,309
1933.....	25,062	4,180
1934.....	³ 25,198	4,033
1935.....	24,187	4,184
1936.....	23,727	4,316
1937.....	23,340	4,366
1938.....	⁴ 23,215	4,558
1939.....	23,273	4,589
1940.....	23,677	4,625
1941.....	24,312	4,741
1942.....	25,081	4,740
1943.....	25,574	4,605
1944.....	³ 25,775	4,578
1945.....	25,329	4,797
1946.....	24,475	4,891
1947.....	23,825	4,997
1948.....	22,935	5,036
1949.....	⁶ 22,700	5,150

¹ Average number on farms during year, heifers that have not freshened excluded.

² Excludes milk sucked by calves and milk produced by cows not on farms.

³ High point.

⁴ Low point.

⁵ Estimated.

⁶ Estimated low point.

Source: U. S. Bureau of Agricultural Economics.

Mr. FULBRIGHT. For example, Mr. President, there were 21,191,000 milk cows in 1927, a so-called low point. This number rose to 25,198,000 in 1934, a high point; but in 1938, a low-point year, the total had declined to 23,215,000. Another high-point year ensued in 1944, and 1949 may have been a low-point year. The

trend now is upward, and will be, in the ordinary course of events, for several years.

This cycle is overlooked by those serving butter's cause, but it cannot be ignored if we want to be fair and objective. Also, there are additional forces, other than the cycle, which accentuated the drop in milk cow numbers from 1944 to 1948. The rise in meat prices over this period has been rapid. This resulted in the close culling of dairy herds and the sale of many cows for slaughter. Furthermore, feed and labor costs have been high; and dairying, and in particular the manufacture of butter, requires a good deal of farm labor.

In the 1938-49 period, total milk production rose 10 percent, but the number of milk cows decreased by only 1.3 percent. This bears out my view that the least efficient dairy cows have been culled, and dairymen also have been following more efficient farming practices generally. Production per dairy cow reached an all-time high in 1949, and still is climbing. It is very significant to note in those tables the increase in production per cow. I simply wish to call attention to the increase from 1924, when the production per cow was 4,167 pounds, to 1949, when the production per cow was 5,150 pounds—an increase which is very significant, in terms of production per cow.

There is nothing to show that the decline in butter output and the rise in margarine production have injured dairying in any way. Nor does the experience of other dairy countries which place no taxes or restrictions on the sale of margarine, or at least no burdensome restrictions, indicate that the repeal of the antimargarine laws would hurt the dairy industry.

I ask unanimous consent to insert in the RECORD at this point in my remarks a table showing the per capita consumption of butter and yellow margarine in four dairy countries for the 1938-46 period, no figures being available for the years after 1946.

There being no objection, the table marked "Exhibit VI" was ordered to be printed in the RECORD, as follows:

EXHIBIT VI.—*Per capita consumption of butter and margarine in countries where yellow margarine is sold*

	1938		1946	
	Butter	Margarine	Butter	Margarine
	Pounds	Pounds	Pounds	Pounds
Netherlands.....	11.9	15.7	11.9	15.4
Belgium.....	16.8	16.2	14.3	16.3
United Kingdom.....	1936		1946	
	25.0	8.7	10.7	15.3
Sweden.....	1939		1946	
	24.0	21.0	34.0	8.0

Source: U. S. Department of Commerce and private surveys.

Mr. FULBRIGHT. Actually, the data for the four countries—the Netherlands, Belgium, the United Kingdom, and Sweden—do not indicate any damage to butter in the absence of burdensome legislative restrictions on its competitor.

Similarly, the available data do not bear out the fears of those who foresee a drastic downward trend in butter consumption if we do away with the antimargarine laws.

I request permission to put into the RECORD at this point a table showing margarine and butter per capita consumption, by years, in the 1924-49 period.

There being no objection, the table marked "Exhibit VII" was ordered to be printed in the RECORD, as follows:

EXHIBIT VII.—*Consumption of margarine and butter, per capita, 1924-49*

Year	Margarine	Butter	Total
1924.....	2.0	17.8	19.8
1925.....	2.0	17.9	19.9
1926.....	2.0	18.4	20.4
1927.....	2.3	18.0	20.3
1928.....	2.6	17.4	20.0
1929.....	2.9	17.2	20.1
1930.....	2.6	17.2	19.8
1931.....	1.8	18.0	19.8
1932.....	1.6	18.1	19.7
1933.....	1.9	17.8	19.7
1934.....	2.1	18.2	20.3
1935.....	3.0	17.1	20.1
1936.....	3.0	16.4	19.4
1937.....	3.1	16.4	19.5
1938.....	2.9	16.4	19.3
1939.....	2.3	17.3	19.6
1940.....	2.4	16.9	19.3
1941.....	2.7	16.0	18.7
1942.....	2.7	15.8	18.5
1943.....	3.9	11.8	15.7
1944.....	3.8	11.9	15.7
1945.....	4.0	10.9	14.9
1946.....	3.8	10.5	14.3
1947.....	5.0	11.2	16.2
1948.....	6.1	10.0	16.1
1949 (Estimate).....	5.7	10.3	16.0

Source: U. S. Bureau of Agricultural Economics.

Mr. FULBRIGHT. This shows that in 1932, for example, the average per capita consumption of butter was 18.1 pounds, and that of margarine, 1.6 pounds. In 1949, the consumption of butter is estimated at 10.3 pounds per capita, and that of margarine at 5.7 pounds. There has been a slight decrease in margarine consumption by comparison with 1948, and a slight increase in butter consumption. I mention this simply as an aside, for the real significance of the exhibit is that while butter's consumption has declined and that of margarine has gone up, the over-all consumption has declined and that of margarine has gone up, but the over-all consumption of table fat has dropped. The gap left by the fact that not as much butter is being eaten has not been filled by margarine. The nutritionists tell us that the Nation needs more table fat. There is room in our economy for both margarine and butter, and many persons will continue to prefer butter. However, the fight the butter industry has made and still is making on margarine is poor public relations for butter. The butter industry, as the American Milk Review said in an editorial this year, is "doing itself more harm than good" by its attitude toward margarine. As a substitute for the margarine fixation, the Review recommended aggressive salesmanship and

enlightened and dynamic merchandising—a substitute which I heartily endorse.

To repeat, the fundamental basis of the butter industry's attitude toward margarine is fear of competition. Even if this fear is well founded—and certainly it is not justified where dairying is concerned—it is an exceedingly poor excuse for the enactment or continuance of punitive legislation against margarine.

Let us now examine some other contentions that the butter industry puts forward to support its plea for protection. Two of these contentions are closely interrelated: The claim that butter has a right to ban, or discriminate, against yellow margarine, and the claim that much margarine will be sold as butter if we remove the restrictions against yellow margarine.

"Why," the butter interests ask, "does margarine insist upon using butter's color, yellow? Let margarine be colored green, or blue, or purple, any color but yellow, which is butter's natural color. That is all we want."

Before I discuss the color and fraud angles of this question, I should point out that the appeal for a ban on yellow margarine does not jibe with the Wiley amendment, previously mentioned, which would confine the manufacture and sale of yellow margarine to intrastate commerce. The Senate should know the reasons for this contradiction. In reality, it is the difference between what the butter industry wants and what it feels it may be able to get.

The butter interests tell us they no longer are opposed to the repeal of the Federal taxes and existing restrictions on margarine. But there is a gimmick in their apparent acquiescence.

After House passage in the Eightieth Congress of a bill which would have repealed the antimargarine laws, the butter interests took stock of their situation. Apparently, they felt that the taxes no longer could be maintained, and that a change of front was needed. This change of front took the form, late in 1948, of a new platform—repeal of the taxes, in return for an outright ban on yellow margarine.

This was the butter interests' "party line" for the margarine fight in the Eighty-first Congress.

Before the House Agriculture Committee, in the first session of the Eighty-first Congress, the butter interests argued for the ban on yellow. But they could not even get that proposal through the House committee, which is one of the friendliest to butter of any committee in the Congress.

The bill reported by the House committee was identical with the Wiley amendment. The amendment, as I see it, is a most curious animal, something like a cross between a zebra and a giraffe. Under it, if a State permits the manufacture and sale of yellow margarine—and 32 States permit this today—yellow margarine could be made and sold in the State, but the margarine so produced could not be shipped across State lines.

On the floor of the House this proposal was soundly defeated, but later it was introduced in the Senate under the sponsorship of the 26 or 27 Senators mentioned a moment ago.

I propose to analyze the Wiley amendment, but first I should like to get back to the color issue. Bear in mind that the butter industry will admit frankly that it would like a complete Federal ban on the manufacture and sale of yellow margarine. Apparently, the only reason for putting the Wiley amendment forward is the feeling that the Senate will not vote that complete ban.

The butter interests' claim to a copyright on yellow rests on the flimsiest of foundations.

Rest assured that if the butter interests could go to the courts and prevent margarine from being colored yellow, they would have done so long ago.

In this connection I refer the Senate to a memorandum on this subject introduced by the Senator from Illinois [Mr. Lucas] in the record of the Senate Finance Committee hearings on margarine, in April 1949, page 238. The memorandum states:

Furthermore, the law has been long settled that color alone may not be the subject of a trade-mark. To be a valid trade-mark, the device, design, or other combination to be sustained as a trade-mark must be capable of indicating origin or ownership of the goods. This is true under both the common law and the statutes which provide for registration of trade-marks.

The memorandum cites numerous court decisions bearing on this matter. In *Leschen Rope Company v. Broderick* (201 U. S. 166), decided almost half a century ago by the Supreme Court, the Court said:

It is the plain intention of the act that, where the distinction of a mark depends upon color, that will not do.

The butter industry, then, has no right in law to prevent margarine from being colored yellow. But does it have a moral right, or any other right, for exclusion? I think it has none.

A great deal of butter is artificially colored. Spring and summer butter is likely to be yellow; fall and winter butter, practically white. Generally, cows feed on green grass in the spring and summer. The grass is full of the sunshine vitamin, vitamin A, and carotene, which imparts the yellow hue to butter.

Few people, however, know that much butter is artificially colored. The butter makers are not required to state that they use artificial coloring. That is a specific exemption written into the law, which I mentioned a moment ago, passed in 1931. The manufacturers of margarine are required to state that they use artificial coloring if, of course, artificial coloring is added.

The butter makers deceive their customers. The real effect of the artificial coloring is to try to make people believe that it is spring and summer butter, which, of course, is better and superior to the white butter; otherwise they would not use the yellow color. White butter has a lower vitamin A content than yellow butter. The vitamins add health-giving properties, as I have said, 99 percent of all margarine contains 15,000 units of vitamin A per pound and all

margarine, under its Federal standard of identity, must contain not less than 9,000 units.

During the 1902 debate on margarine in Congress, the late Representative Wadsworth, of New York, the father of the present able House member, summed up this whole question:

It is claimed by the extreme butter men that yellow is the natural butter color and practically no other food product has the right to use it. If that claim is true, what shade of yellow is it entitled to? * * * It is only in the months of May and June, and I speak as a practical butter maker myself when I make the assertion, that creamery butter, and that, of course, is the butter of commerce, has a decided yellow color, or tint, and that color disappears entirely or almost so when the fall and winter sets in. * * * Here are samples of butter purchased by me this morning and no two are alike. As a matter of fact, every sample is artificially colored.

I deny that butter has the copyright, patent right, or any other right to any particular color, whether yellow or otherwise.

If coloring oleomargarine a shade of yellow helps to perpetuate a fraud, then the coloring of butter is actually a fraud, because it makes the consumer believe, and necessarily, that fall or winter, or white butter of any season of the year is June butter which generally is considered the best.

Margarine resembles butter in many ways. It is a table spread and would resemble butter if it were colored green, or red, for it is like butter in texture and taste and is used for the same purposes. We assert, therefore, that it should have the right to resemble butter in color.

We deny that margarine tries, or wants to masquerade as butter. We say furthermore that similarity to other products in color, in design, in texture, in use, and in many other ways, is characteristic of thousands upon thousands of domestic products.

Synthetic dyes have almost put natural dyes out of business. The similarity in this case is purely one of color.

If we say, by law, that similarity is prohibited, or is to be penalized, we had better close up our laboratories and turn our backs upon technical and scientific progress.

Over and over again, I have stated that the case of rayon and cotton is analogous to that of butter and margarine. The same thing could be said of rubber and the new synthetic rubbers, or of plastics used for wood or steel, and so on.

If today I proposed an amendment which would tax rayon for its imitation of cotton in color and dozens of other ways, I would be laughed at and rightly so.

I am glad to be able to state that no cotton producer, so far as I know, has ever seriously proposed a tax on rayon, or nylon, or any other competitor of cotton.

Yet, for more than 60 years there has been a Federal tax on margarine. This, it is obvious, is a tax on cottonseed oil, soybean oil, and the other vegetable oils which go into the end product.

There is no way to estimate the loss to the farmers who produce these vegetable oils. Margarine is the second largest single outlet for cottonseed oil; the largest in 1948. In 1948, more than

450,000,000 pounds of cottonseed oil were used in the manufacture of margarine, the equivalent of one and a half million tons of cottonseed. And cottonseed oil accounts for more than half the value of cottonseed, which accounts for about 14 percent of the farmers' gross cash income from the cotton crop.

Margarine is the second largest outlet for soybean oil, shortening being the first. In 1948, margarine consumed 253,000,000 pounds of soybean oil. About 16 percent of all soybean oil produced in this country goes into margarine. This 16 percent, obviously, is very influential in determining the price received for the entire production, since margarine is a high-value usage and the soybean oil which goes into margarine raises the entire price structure of the oil.

The importance of soybean oil to the agricultural economy should not be underestimated. Soybeans are grown on approximately 12 or more million acres of land. In 1948, total production of soybeans approximated 223,000,000 bushels and the cash value of soybeans for beans approximated \$506,000,000. Today, soybeans are rated from first to third crop in cash importance in half a dozen States.

The processor makes two commodities from soybeans; one is soybean oil and the other is meal. The prices which the processor receives for the oil and meal determine the price which he can pay the farmer for his soybeans. If the processor sells his soybean oil at a reduced price, he must either increase the price of meal, or decrease the price paid the farmer. He has no alternative.

It is elementary to state that legislation which decreases the use of the vegetable oils is taking money directly from the pockets of the cottonseed and soybean producers and the other producers of vegetable oils.

At this point in the RECORD, I ask unanimous consent to insert an exhibit showing the relative value of soybean oil and butter in the six principal soybean-producing States, which also are great dairy States—exhibit VIII.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the table marked "Exhibit VIII" was ordered to be printed in the RECORD, as follows:

EXHIBIT VIII.—Cash income from soybean oil and from butter, principal soybean States, 1948

State	Rank in soybean production	Estimated cash income from soybean oil ¹	Cash income from butter ²
Illinois.....	1	\$96,883,000	\$19,872,000
Iowa.....	2	46,779,000	125,333,000
Indiana.....	3	37,347,000	12,999,000
Ohio.....	4	23,325,000	14,369,000
Missouri.....	5	16,930,000	24,775,000
Minnesota.....	6	20,258,000	103,403,000

¹ Estimated at 50 percent of cash income from soybeans.

² Including sales of cream (butterfat) and farm butter.

Source: U. S. Bureau of Agricultural Economics.

Mr. FULBRIGHT. I have referred to the Ohio referendum on margarine last November 8. Aside from the overwhelming victory for margarine in this election, it is extremely interesting to note that margarine won in 26 counties out of

48 counties where dairy products are the chief source of cash farm income. The butter forces carried only 23 such counties.

I ask unanimous consent to insert at this point in the RECORD an analysis of the margarine referendum in Ohio:

There being no objection, the table marked "Exhibit IX" was ordered to be printed in the RECORD, as follows:

EXHIBIT IX. THE 1949 OHIO ELECTION AND ITS IMPLICATIONS

Proposals to legalize the manufacture and sale of yellow margarine in Ohio were rejected at the last two sessions of the Ohio Legislature, having once died in committee, and having in 1949 gained approval of the Ohio senate only to be beaten in the Ohio house.

Ohio consumers decided to carry the issue to the voters under the Ohio initiative law. Petitions were signed by more than 426,000 qualified voters and filed with the Ohio secretary of state, who gave the margarine proposal the top position on the special questions and issues ballot for the November 8 election.

The movement was spearheaded by 32,000 Ohio housewives who banded together in an organization named the Association of Voters for Yellow Margarine.

Not to be overlooked, however, was the inherent political strength of Ohio's 92,000 milk-producing farm families (of whom, however, fewer than 39,000 sold cream for butter) and the fact that Ohio's gross cash income from dairy products in 1948 amounted to \$233,344,000, or \$22.24 of each \$100 of Ohio farm cash income.

The complete and official result of the November 8 election as announced by the Ohio secretary of state was:

For yellow margarine..... 1,282,606
Against yellow margarine..... 799,473

Majority favoring yellow
margarine..... 483,133

Surprising to no one were the substantial majorities accorded yellow margarine in seven of nine metropolitan areas, with Cincinnati giving the proposal a 4 to 1 ratio; Cleveland, almost 3 to 1; Columbus, almost 3 to 1; Dayton, 2 to 1; Akron, 2 to 1; Toledo, 2 to 1, and Canton, 4 to 3.

One unexpected development was that yellow margarine carried 44 of Ohio's 88 counties.

But the truly surprising element came in the voting record of 24 of Ohio's most highly agriculturalized counties, 14 of which derive more income from dairy products than from any other farm crop, and in 8 of which dairying is the second most important source of farm income.

ALL 24 OF THESE COUNTIES FAVORED YELLOW MARGARINE

The voting record of the 24 counties in question, together with the percentage of total cash farm income accounted for by dairy products, and a listing of the relative importance of dairy products, follows:

County	For	Against	Percent- age of farm in- come from dairying (1945)	Relative import- ance of dairying (1948)
Athens.....	6,964	5,845	48	First.
Clermont.....	6,300	4,905	27	Do.
Coshocton.....	5,094	4,750	34	Do.
Crawford.....	6,407	5,324	14	Second.
Defiance.....	3,585	3,508	19	First.
Erie.....	8,111	4,830	18	Do.
Fairfield.....	7,680	6,061	24	Second.
Greene.....	6,318	4,977	14	Do.

County	For	Against	Percent- age of farm in- come from dairying (1945)	Relative import- ance of dairying (1948)
Hocking.....	3,023	2,593	28	First.
Huron.....	4,781	3,691	19	Do.
Jackson.....	4,569	3,966	30	Do.
Lawrence.....	8,838	5,036	28	Do.
Marion.....	7,221	6,356	16	Second.
Miami.....	8,739	6,470	24	First.
Ottawa.....	3,839	3,201	16	Second.
Perry.....	4,672	4,003	25	First.
Portage.....	9,355	7,809	43	Do.
Ross.....	7,010	6,275	14	Second.
Sandusky.....	6,982	5,972	20	First.
Seneca.....	7,402	7,110	19	Second.
Van Wert.....	4,532	4,376	15	Third.
Warren.....	4,321	3,781	25	Second.
Washington.....	8,754	5,168	33	First.
Wood.....	7,823	7,587	12	Fifth.

Dairying also is a highly important source of farm income in 13 other counties which favored yellow margarine; each of which, however, includes a town or city of substantial importance, but none of which includes a large city. Their voting record, together with the percentage of cash income from dairy products, and a listing of the relative importance of dairy products, follows:

County	For	Against	Percent of farm income from dairying (1945)	Relative import- ance of dairying (1948)
Allen.....	13,427	8,818	18	Second.
Belmont.....	13,582	12,548	54	First.
Butler.....	23,872	12,750	29	Second.
Clark.....	13,849	6,513	24	Do.
Columbiana.....	13,239	12,733	45	First.
Jefferson.....	14,188	13,384	50	Do.
Lake.....	9,328	4,556	9	Fourth.
Licking.....	9,680	8,104	33	First.
Lorain.....	16,029	11,517	32	Do.
Muskingum.....	12,697	10,181	32	Do.
Richland.....	13,030	8,691	25	Do.
Scioto.....	13,813	9,831	32	Do.
Tuscarawas.....	9,430	8,809	46	Do.

Lumping the two groups of counties together, it is seen that yellow margarine was favored by 23 in which dairy products are the No. 1 source of farm cash income, and by 11 in which dairy products are the No. 2 source of farm cash income.

Carrying the projection still further, dairying is the principal source of farm revenue in Hamilton (Cincinnati), Stark (Canton), and Summit (Akron) Counties, and is the second most important source of farm income in Franklin (Columbus) and Montgomery (Dayton) Counties. All of the latter also favored yellow margarine.

Thus, in over-all total, yellow margarine won out in 26 counties where dairy products rank first, and in 13 where they rank second.

(Sources of data: Election results, Ohio secretary of state; percent farm income from dairying, based on United States census of 1945; relative importance of dairying, Ohio State University, department of rural economics, Bulletin No. 206 (1948).)

Mr. FULBRIGHT. It bears out an assertion I have made time and time again that dairymen, themselves, are beginning to understand that they have no interest in the attempt to perpetuate the Federal and State antimargarine laws.

I have shown that butter has no right at law, or no moral right, to prevent margarine from being colored yellow at the factory. But what about the assertion that wholesale fraud will result if we take away legislative restrictions on

the manufacture and sale of yellow margarine?

This argument can be disposed of fairly quickly. The danger of fraud if we legalize tax-free, yellow margarine is negligible.

Under existing law which would not be changed by repeal of the taxes on margarine, margarine must be labeled as such. The labeling requirements are so strict and so well enforced that no householder is in danger of being deceived.

Margarine is not sold in loose, or unpackaged form, as is some butter. It is not sold in tubs. A merchant could take the wrapper off margarine sticks and perhaps palm them off as butter. Few grocers in their right minds would attempt such a thing. The penalty is all out of proportion to the risk involved. The penalty is the standard one for fraud in the sale of food, and for an intentional offense, or repeated offenses, can be a maximum of 3 years in prison and a \$10,000 fine. That, I may say, is the existing law, which will not be disturbed. I refer to the existing Food and Drug Act.

Mr. GILLETTE. Mr. President, will the Senator yield at that point?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Iowa?

Mr. FULBRIGHT. I yield.

Mr. GILLETTE. The penalty to which the distinguished Senator alludes is the penalty under the Food, Drug, and Cosmetic Act for violation of the prohibitions therein set forth, is it not?

Mr. FULBRIGHT. That is correct. The removal of the label by the retailer certainly would constitute such a violation and subject him to the penalty.

About 93 percent of all margarine sold goes to homes. I have heard no instance where a housewife complained that she asked for butter, paid for butter, and got margarine instead. There may be a few such instances but they are very few indeed. Nor have I ever heard anyone seriously insist that there is any real danger of deception in margarine sales to homes. By "homes" I mean through the regular retail outlets for home consumption.

Sales to bakers, confectioners, and the like amount to about 3½ percent of the margarine sold. These purchasers do not care whether the margarine they buy is white or yellow. They use it in cooking and in the making of their products.

There is then no real danger of fraud in the case of 96½ percent of all margarine sold, whether that margarine be yellow or white. This leaves 3½ percent of the margarine consumed unaccounted for. Most of this 3½ percent is sold in public eating places. Charges have been made that many restaurants are substituting margarine for butter. I think the average restaurant operator is an honest and law-abiding citizen, and I doubt that he wishes either to deceive his customers or to violate the law.

However, H. R. 2023 covers the small area where repeal might increase the prospects of fraud. As I have previously said, the bill before the Senate requires that a public eating place which serves

yellow margarine must post a notice to that effect, or print, in type not smaller than that used to describe any other article of food, such a notice on the menu itself. It also requires that each separate serving of yellow margarine in a public eating place must be identified as such, or served in a triangular shape which would be a form of identification. If the individual serving was not brought to the table in a triangular shape, the identification must conform to regulations to be prescribed by the Food and Drug Administration. The Administration might require the identification to be carried on the plate, or to be marked on the paper on which the margarine was placed. Undoubtedly it would be adequate.

The Wiley substitute bill provides no additional protection whatever against the sale of margarine as butter in public eating places, the only area where there is any real danger of fraud.

We have not answered the question by the butter industry as to why margarine wants to use the color yellow, but that answer is fairly obvious.

The butter industry knows very well that consumers want their table spread, whether margarine or butter, served yellow. Imagine, for example, eating green margarine, or green butter, even if it were just as nutritious and tasty as yellow margarine, or yellow butter. Imagine drinking red milk, even though the coloring which made it so was perfectly harmless. We are all familiar with the common practice with respect to oranges. I do not think the coloring of an orange improves it any, but, for the same kind of reason, everyone colors oranges today in the markets. It is merely a habit.

We develop a set of food habits, which include eye appeal, as well as taste appeal, just as we develop other habits. We have been taught to like our butter served yellow and our margarine served yellow. That is why millions of housewives, and quite a few husbands also, go to the trouble of mixing yellow coloring into margarine before they put it on the table. This is a messy and time-consuming chore and I do not wonder that millions of consumers are angry because we force them to do it. Repeal would do away with that nuisance task in 32 States and the District of Columbia and, I am fully confident, eventually in all 48 States.

I have sketched the history of the Wiley amendment and have called it a curious animal. It represents still a new party line for the butter interests. It is completely at variance with the previous contention of the industry that there should be a Federal ban upon the manufacture and sale of all yellow margarine.

If we are going to legalize the sale of yellow margarine, why confine that manufacture and sale within State lines? If there is danger of fraud in the sale of yellow margarine, the Wiley amendment does nothing to avert that danger. If the dairy industry is threatened by the repeal of the antimargarine laws, the Wiley amendment does not dissipate that threat.

Eventually, if the current trend against the antimargarine laws continues, every

State will permit the manufacture and sale of yellow margarine. Under the Wiley amendment, every State, to have yellow margarine, must have a plant within the State. Undoubtedly, almost every State would have a plant, or plants, in the future, although some of the poorer and more thinly populated States might not be able to support such a factory.

There is a certain selfish appeal in the prospect of a margarine plant, or plants, in every State. Nevertheless, if we are going back to the articles of confederation, there is much more to be done. We should, for example, confine the manufacture and sale of automobiles to intrastate commerce. We should confine the manufacture and sale of farm machinery to State lines, and so on down the almost interminable list of our products.

Mr. GILLETTE. Mr. President, I wonder if the Senator will yield once more to me?

Mr. FULBRIGHT. I yield.

Mr. GILLETTE. If I correctly understood the able Senator from Arkansas a few moments ago, in mentioning the safeguards which his bill places on the use of oleomargarine in eating places, he stated that the bill required both the clear labeling of the article and also that an individual serving be cut in a triangular form.

Mr. FULBRIGHT. First, there must be notice that oleomargarine is being served. That is absolute. Then there must be individual labeling, or the article must be in a triangular shape. There must be one or the other.

Mr. GILLETTE. Then I misunderstood the Senator. I understood him to say that both were required.

Mr. FULBRIGHT. One or the other, but there must be notice.

Mr. GILLETTE. The alternatives are labeling of the serving and serving the article in triangular shape.

Mr. FULBRIGHT. Individual labeling, yes, but that is not an alternative to the general requirement that notice be given.

Mr. GILLETTE. I should like to ask the Senator, also, if his statement means that each individual serving must be in triangular form. I submit that the language of the bill does not so provide. As the Senator well knows, there are many eating places which serve the bread spread in a dish. It may be a pound, a half-pound, or a quarter-pound, to which the diner can help himself. That would be a separate serving; it would not be an individual serving. I am sure the Senator does not believe that the language which is contained in the bill would provide that an individual serving must be triangular in shape—

Mr. FULBRIGHT. I had not thought of that. Generally speaking, there are very few places which are so free with their butter or margarine as to put a whole pound of it on the table.

Mr. GILLETTE. In Iowa it is quite common to put a pound of butter on the table.

Mr. FULBRIGHT. In Iowa, the land of plenty, that may be true. Very few of us are favored by coming from that State.

I will say to the Senator that I have never taken the position of objecting to any reasonable, practical way of giving notice, because those of us who are interested in margarine have no desire that one ounce of margarine be disguised and sold as butter. We think it has sufficient merits to stand on its own feet. As I told the committee twice, I should be willing to support any kind of a plan that is calculated to be workable.

Mr. GILLETTE. Mr. President, will the Senator yield for one further question?

Mr. FULBRIGHT. I yield.

Mr. GILLETTE. The Senator has just stated that he is in favor of any practical method of protection. But there are alternative proposals. One proposal is that the article be labeled, and the other proposal is that the article be cut in triangular form. Has the Senator in mind any way in which an individual serving of butter can be labeled? Would the label have to be printed on it?

Mr. FULBRIGHT. My idea is that the little oiled paper plate on which it is served should carry the identification.

Mr. GILLETTE. Then the Senator would identify the plate and not the margarine.

Mr. FULBRIGHT. The plate on which it is served. The committee discussed the question of having the margarine itself bear an imprint, but both butter and margarine melt quite quickly, so that that would not be a practical way of handling the situation. It was deemed, and, I think, correctly, by the committee, that that would not be a practical way. The most practical, easiest, and surest way is to make the identification on the plate on which the butter or margarine is served.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. WILEY. I was interested a few moments ago in the Senator's comment that the producers of oleomargarine would not want to accept any other color than yellow. I listened to his reasoning in that connection. He did not mention the fact that ice creams are made of practically every color of the rainbow. There is red, white, and blue ice cream; ice cream may be of various shades of red. I assume that the very objective is to give oleo the right to enter into the field so that it can take over the spread market. Is that not the very purpose of it?

Mr. FULBRIGHT. I should certainly not deny that one of the objectives of the persons interested in margarine is its sale. We are interested in its free sale in competition with any other food article. That certainly is one of the motives. I tried to make the point that as a matter of habit the American people are accustomed to their spread being yellow, just as in the case of oranges they are accustomed to a certain tint. Some of the very best oranges are tinted with artificial color. It is for the same reason that the butter producers tint and color winter butter to make it look like summer butter. They have exactly the same motive—to make it acceptable.

Mr. WILEY. There used to be only one kind of ice cream. Now, as I say, every kind of color is used in ice cream. There are different kinds of tinted ice cream, orange, lemon, and other colors.

Mr. FULBRIGHT. Vanilla ice cream is still white, is it not? I have never seen any black vanilla ice cream.

Mr. WILEY. All ice cream usually has some vanilla in it. It is clearly demonstrated that the producers of oleomargarine do not want to try any of those colors.

Mr. FULBRIGHT. The American people prefer yellow color for their spread. They do not seem to care for any other color. I do not know why that is true. Why do they prefer oranges to be a certain color? Ninety percent of all oranges are artificially colored. That was not so in the past. I cannot explain why, but now it is a general practice.

Mr. WILEY. Then the purpose is to take over the spread market. That is what the proponents of the bill seek to do.

Mr. FULBRIGHT. The purpose is to sell margarine. I had hoped I had made it clear that that was the principal interest not only of those who make margarine, but of those who produce soy bean oil, and so on. I hope I have never left the impression that there is any other purpose than to have a free, open, untrammelled market in which oleomargarine can compete, just as in all other fields. In the case of cotton, nylon and rayon compete freely with cotton. That is an analogous case. If we had attempted to impose a restriction to the effect that no nylon could be sold unless it were colored black, what would the reaction have been? Why is it that we like white shirts? Why do we not wear black shirts, as men in Italy did at one time? I do not know why we like white shirts. They are very uneconomical. It takes twice as much money to keep them presentable as if we wore black shirts, but Senators know we do wear white shirts.

The same observations apply to artificial leather, which is made to look like real leather. I do not know why the growers and producers of livestock, the source of leather—hogs and cattle—did not have a law passed prohibiting the sale of artificial leather; but they did not. Of course, the oleomargarine law is a unique act. No similar act has ever been passed by the Congress. It completely contradicts the whole idea of a free, competitive market. I challenge any butter advocate to cite a precedent in our laws, or a similar case, when we undertook by governmental action to throttle competition in a legitimate article of commerce. I do not think there is any such case.

Of course, the suggestion that the making and sale of automobiles, or farm machinery, or any other legitimate product, be confined within State lines, is absurd. Yet, these suggestions are no more absurd than the proposal that we confine the making and sale of yellow margarine within State lines—for it, too, is a perfectly good and legitimate product.

The Wiley amendment would disrupt the entire margarine industry, and would sharply raise costs to consumers. The margarine industry, like other mass production industries, has been built in line with the factors which make for efficiency and a good, inexpensive product. The amendment would disrupt the distribution pattern of margarine, which has been built up on the availability of fats and oils, the consumer demand for margarine, the availability of labor, and many other factors. What would happen, for example, to Wisconsin's great cheese industry if we passed a Federal law confining the manufacture and sale of cheese to intrastate limits?

Frankly, I am surprised that it is necessary to take the time of the Senate to argue the merits and demerits of the Wiley amendment. Nevertheless, 25 Senators, all able and earnest men, are sponsoring the measure. It is necessary, then, to deal with it seriously.

I regard the Wiley amendment as thoroughly mischievous in nature. I believe that its approval would put the Senate in a ridiculous and indefensible position.

The Wiley amendment represents the spirit of the Articles of Confederation, which almost wrecked this country in its early days. The Wiley amendment harks back to the era of dirt roads, oxcarts, carriages, flat boats, and sailing vessels. It is a return to the thinking which prevailed when State after State levied taxes and embargoes upon the products of other States.

Even an agrarian economy could not get along under the Articles of Confederation and the trade wars which accompanied the shaky union of the fledgling States. If Washington, Franklin, Jefferson, and other great men of that day had not had the vision of a great free-trade territory, this country would have split into a number of quarreling and belligerent States. The interminable wars of Europe might have been paralleled by the history of North America.

Today, we are insisting that western Europe unite economically and establish a free-trade area which would promote stability and prosperity. At the same time, we find Senators insisting that we limit the manufacture and sale of a perfectly good food product, made in this country from domestic materials, to State limits.

Testifying before the Senate Finance Committee last April, I reviewed in some detail the circumstances which led to the adoption of the commerce clause of the Constitution. This clause was an indispensable accompaniment for a real union of the States.

The late Mr. Justice Rutledge of the Supreme Court has pointed out that the adoption of the principle of free trade among the States even preceded the adoption of the indispensable domestic freedoms secured by the first amendment. He said:

Only later were they added, by popular demand. It was rather to secure the freedom of trade, to break down the barriers to

its free flow, that the Annapolis convention was called, only to adjourn with a view to Philadelphia. Thus the generating source of the Constitution lay in the rising volume of restraints upon commerce which the Confederation could not check. These were the proximate causes of our national existence down to today.

That quotation is found in Rutledge's *A Declaration of Legal Faith*, page 25.

Congress has the power to prohibit the movement of goods in interstate commerce, but that authority has been used gingerly and sparingly. Almost exclusively, that power has been in the case of products which were considered harmful, dangerous, and deleterious. Some instances are: Stolen motor vehicles, the white-slave traffic, kidnaped persons, adulterated and misbranded foods under the pure-food laws, diseased livestock and plants. Margarine does not fall into any of these categories.

The Wiley amendment meets none of the real questions involved in our consideration of the antimargarine laws.

The Senate should face this matter squarely. If margarine should not be allowed to use yellow coloring, we should say so. If it is to be allowed to use yellow coloring, we should remove all restrictions upon the product, and let butter and margarine compete squarely and fairly in the market place.

Still another argument used against repeal of the antimargarine laws is that removal of the restrictions upon yellow margarine would not benefit the consumer. The assertion is that the manufacturers, or the retailers, or both, would mark up the price of yellow margarine until there would be comparatively little difference between it and the price of butter.

During the hearings before committees, and in debates on the floors, this matter has risen time and time again. Data purporting to show profiteering already in yellow margarine have been inserted in the record of hearings. I am told that the butter industry relied heavily upon this price argument during the recent contest in Ohio, obviously not a very persuasive argument, however.

The price phase of this controversy has interested me very much. If consumers are not to benefit by repeal, there certainly is a question about scrapping the antimargarine laws. Consequently, I have investigated this to the limit of my ability.

Before going further into the actual spreads today between yellow and white margarine and the prospective spreads in the future, I should like to say that profiteering in yellow margarine after repeal is highly improbable in the face of a keenly competitive margarine industry.

No margarine company, I am reliably informed, produces more than 10 or 12 percent of the margarine made in the United States, and certainly there is the keenest of competition for margarine sales. If the industry operated on monopolistic lines, there would have been profiteering long ago.

To come back to the question of existing price spreads between white and yellow

low margarine, I recently queried the manufacturers of margarine about their pricing policies with regard to white and yellow. In every instance, the manufacturers have formally advised me, they charge 10 or 11 cents more for yellow, only enough to cover the Federal tax and additional packaging costs. I have a fully documented case that there is no profiteering at the manufacturer's level.

But what about retail spreads? Within the past month, I sent out 8,700 questionnaires to retail grocers who handle yellow margarine in the 32 States and the District of Columbia which permit its sale. These covered the pricing practices of far more than 8,700 stores, since about 200 of the queries were sent to heads of chain stores. I asked the stores to give me detailed information on the spread between the prices charged for white and yellow, brand by brand, on the day preceding receipt of the questionnaire.

I ask permission to insert at this point in the RECORD a copy of my letter, a copy of the questionnaire, and a summary of the results of the survey.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,

Washington, D. C., December 19, 1949.

To the Grocer Addressed:

As sponsor in the Senate of a bill to repeal the Federal antimargarine laws, I am writing to ask a small favor. Would you kindly fill out and return to me at your very earliest convenience the enclosed form listing average retail prices in stores within your jurisdiction for the same brands of white and yellow margarine on the day before you receive this letter?

Perhaps you wonder why I seek this information. The reason is very simple. My bill would repeal the 10-cent-per-pound tax on yellow margarine and the \$48 annual license fee now required of grocers who handle the product. This bill, which would also repeal all the other Federal margarine taxes and fees, is scheduled to be considered by the Senate early in January. During the early discussions of this measure the following question has arisen:

"What is the difference between the retail price of white and yellow margarine?"

My hope is to have the facts available. This can best be done by surveying actual margarine prices in representative stores and then letting the truth and the facts speak for themselves.

In filling out the enclosed questionnaire I ask that you be completely frank and honest in setting down your price quotations. I am interested only in the general statistical results, and I am not concerned with your pricing operations, taken individually. After being recorded, your reply will be destroyed and the survey results will not be otherwise used.

Thanking you in advance for your cooperation, I am,

Very sincerely yours,

J. W. FULBRIGHT.

QUESTIONNAIRE SENT TO GROCERS

(Please return this via air mail)

Senator J. WILLIAM FULBRIGHT,

Senate Office Building,

Washington, D. C.

DEAR SENATOR FULBRIGHT: Retail prices on same brands of yellow and white margarine

at my store on December —, 1949 (the day before I received your inquiry), were as follows:

Brand name	Price per pound yellow	Same brand price per pound white
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Sincerely yours,

Name _____

Store _____

Address _____

City _____

State _____

EXHIBIT X.—Differentials between retail prices of yellow and white margarine, December 1949¹

State	Average differential	Percentage of total differentials			
		10 cents or less	11 cents or less	12 cents or less	13 cents or less
Alabama.....	Cts. 10.9	Pct. 36.7	Pct. 65.3	Pct. 81.0	Pct. 88.2
Arizona.....	11.1	44.9	55.1	83.8	92.0
Arkansas.....	11.4	41.8	61.5	70.8	84.5
California.....	10.4	51.0	75.1	89.5	92.6
Colorado.....	11.2	45.1	62.6	82.1	88.7
District of Columbia.....	10.9	72.9	73.4	82.9	83.4
Florida.....	10.9	45.2	73.7	88.0	94.3
Georgia.....	12.4	34.1	39.7	52.7	60.1
Indiana.....	10.4	72.2	76.8	89.2	92.8
Kansas.....	11.5	28.7	39.4	70.7	80.3
Kentucky.....	10.9	46.7	64.7	82.0	84.9
Louisiana.....	10.7	47.0	65.8	95.0	97.5
Maine.....	11.3	45.0	49.0	84.3	86.6
Maryland.....	12.0	34.9	43.3	60.5	69.5
Massachusetts.....	10.7	51.8	54.0	97.0	98.4
Mississippi.....	10.8	48.8	54.0	92.3	95.6
Missouri.....	12.2	28.2	38.3	49.0	61.0
Nebraska.....	11.3	37.4	50.3	76.5	91.4
Nevada.....	12.0	29.5	45.5	65.9	93.2
New Hampshire.....	10.5	58.8	59.3	98.7	98.3
New Jersey.....	10.5	53.5	78.4	93.0	95.9
New Mexico.....	11.6	50.0	57.4	66.0	74.5
North Carolina.....	12.0	27.3	37.0	67.3	77.3
North Dakota.....	(2)	(2)	(2)	(2)	(2)
Ohio.....	9.3	74.3	89.4	97.7	98.8
Oklahoma.....	10.8	53.4	58.4	84.0	90.2
Rhode Island.....	10.5	63.6	63.6	98.7	98.7
South Carolina.....	11.5	25.4	51.2	82.3	89.9
Tennessee.....	11.7	20.5	32.7	73.0	97.6
Texas.....	11.3	28.8	60.8	84.8	94.3
Utah.....	(3)	(3)	(2)	(2)	(3)
Virginia.....	11.2	52.8	57.7	76.4	80.3
West Virginia.....	11.9	40.0	43.7	54.3	80.3
32 States and District of Columbia.....	10.8	48.4	62.0	82.6	89.6

¹ Determined from 26,210 comparisons of retail prices of white and yellow margarine of the same brand in 6,829 stores on 1 day.

² No retail dealers in yellow margarine because of State tax of 20 cents a pound, and other restrictions.

³ Not computed. Only 18 retailers licensed as of October 1949 from whom insufficient data were received to constitute a reliable sample.

Mr. FULBRIGHT. Mr. President, if the Senators will examine the letter and the questionnaire, I think they will agree with me that I made an effort to get an absolutely unbiased report on this matter.

The queries were sent to stores, large and small, chain and independent, city, town, and rural; and the returns gave a thoroughly representative sample from these groups. They covered the operations of 6,829 stores, or about 17 percent of the stores selling yellow margarine. This constitutes, as anyone familiar with surveys knows, a very heavy sample.

The survey showed that the average retailer selling yellow margarine simply charges enough for the product to cover his extra costs. As a matter of fact, the retail spread between yellow and white margarine could well be more than 11 cents and still not be out of line. Evidently a good many retailers are absorbing some of the extra costs of yellow margarine.

For example, replies from Ohio retailers showed that the average spread between white and yellow of the same brand in that State, which legalized the sale of margarine last November 8, was only 9.3 cents.

The average spread in 32 States between white and yellow margarine was 10.8 cents per pound.

Let me briefly sum up some other facts shown by the survey.

Approximately 48 percent of the spreads were 10 cents per pound or less.

About 62 percent, including the 48 percent, were 11 cents or less.

Similarly, about 83 percent were 12 cents or less, and nearly 90 percent were 13 cents or less.

As I have stated, many retailers are absorbing some of the extra cost of yellow margarine. The grocers who are charging 10 or 11 cents more are simply passing on the extra direct costs of yellow to their customers. Those who are charging 12 or 13 cents extra for yellow are only trying to get back the \$48 license fee.

Judged by any standard, 90 percent of the spreads reported are completely reasonable. Few instances were reported where the spreads between white and yellow seem out of line. There are logical explanations for most of these instances. It is a common practice for many grocers to reduce prices on white to attract customers; in other words, to make loss leaders of certain brands of white. In these cases, and there were a good many in this survey, a wide spread was created, not by advancing the price of yellow, but rather by cutting the price of white to a loss, or no profit level.

Many grocers also went to some pains to explain their wider margins as an attempt to recover the \$48 license fee. These were small retailers who sell only limited amounts of margarine, and their spread between yellow and white had to be relatively high to enable them to get their money back. Finally, as in all commodities, there are prices which seem high and which can be explained only by the fact that the grocer, whatever his reason, saw a chance to make an extra profit and took it. As any one of us knows, we can find an occasional high price for almost any article in trade.

In the case of yellow margarine, one of the reasons why some grocers have an opportunity to charge extra is the fact that only about one grocer in eight holds a license to sell the product. Some grocers are the only ones in their area who sell yellow and have what amounts to a local monopoly. This affords an opportunity for petty profiteering.

The repeal of the Federal antimargarine laws will put an end to this kind of

thing, and very quickly. All retailers, or almost all, in the States which permit the sale of yellow will deal in the product. With every retailer selling yellow margarine, he must compete or see the business go to his rivals.

If the Senate is really concerned about the danger of profiteering in yellow margarine—and there is no reason for that concern even now—the way to deal with that concern is to repeal the Federal antimargarine laws.

Before leaving this subject I should like to point out that the argument that repeal will do the consumer no good because of high prices charged for yellow is out of line with the allegation that repeal will injure the dairy industry.

If the price charged for yellow margarine is raised sharply, more people will buy butter, fewer people will buy margarine. The butter industry is well aware of this situation. The price scare story simply is propaganda to frighten the consumers, who have been the real impetus behind the drive for repeal.

Finally I would like to ask the Senate to consider this issue on its merits and to express the hope that amendments which deal with other subjects will be rejected.

This matter has been waiting its turn for a long, long time. We should dispose of it and not allow it to be sidetracked any longer. We ask, in all fairness, that the Senate be allowed to vote on this question without beclouding the issue. The people have a right to know where we stand.

In March 1948 I tried to repeal the antimargarine laws by an amendment to a pending tax bill. I had been unsuccessful in my appeals to the Senate leadership to allow a vote on the margarine bill directly.

The then chairman of the Senate Finance Committee, the distinguished Senator from Colorado [Mr. MILLIKIN], made the point that the margarine amendment should not be attached to the tax bill. For the information of the Senate I should like to quote some of his remarks at the time. He said:

Neither the majority nor the Senate Finance Committee is taking any position on the policy involved in the merits of the amendment.

That was my amendment to repeal the antimargarine laws.

A Senator may vote to keep this amendment out of the bill, without prejudicing his position in favor of removing the taxes from oleomargarine. We are not going into the merits of that. Our position is that it has no place in the pending bill, and that if it were put in the bill, it would necessarily be dropped in the conference; that it is unwise to put it in this bill, because if we opened the door to extraneous matters, we would wind up here in a state of complete scatteration, instead of getting the kind of bill we wish to get.

I have no doubt that his cogent and forceful plea had a great effect upon the Senate, for my amendment was defeated by a vote of 45 to 33. I felt, and still feel, that a substantial majority of the Senate favored repeal when that vote was taken, just as I feel that a heavy majority of the Senate favors repeal today.

Almost 2 years have gone by since the Senate vote referred to and to this day the Senate has not expressed itself directly on the question of repeal. Following the line of reasoning so aptly stated in 1948 by the Senator from Colorado [Mr. MILLIKIN], I ask the Senate, whatever their views on extraneous amendments, to reject them and to vote upon repeal of the Federal antimargarine laws.

To summarize, I sincerely believe that repeal of the antimargarine laws would not injure the dairy industry; butter has no copyright, or trade-mark, on the color yellow; there is no danger of fraud if we repeal the antimargarine laws, nor is there any danger of profiteering in yellow margarine if we scrap these outmoded and antiquated statutes.

Perhaps, I should have devoted more time to talking about the public interest in this matter. As I have said, the strong and incessant drive toward repeal of these laws has come from the consumers. They see no reason why we should continue legislation which increases the costs of a perfectly good food and which forces housewives to waste time and food in coloring margarine. They want something done about this matter. They intend to have something done about it.

Public sentiment is clamoring for repeal of the antimargarine laws. More than 90 percent of the newspapers of the country are asking for repeal. Most of the leading radio commentators are asking for the same thing. Labor and church groups want repeal, as do many other organizations whose only interest in this matter is the public interest.

A little reflection should convince anyone that the margarine laws are wrong in principle and that they constitute barriers to free trade and fair competition.

The trend, and a most decisive one, all over this country is toward an end to antimargarine legislation. In 1901, 32 States prohibited the manufacture and sale of yellow margarine. Today, as I have repeated, 32 States permit the sale of yellow margarine. Five States, Maine, Maryland, Massachusetts, Missouri, and New Jersey, abolished their yellow margarine prohibitions in 1948. Last year New Hampshire, California, Tennessee, and Ohio joined the parade.

If anyone has any doubt about what the people think I again call his attention to the results of the Ohio election where a great dairy State, by an overwhelming margin, voted in November to scrap its antimargarine laws.

The people have told us what they think. It is time for us to tell them what we think.

Mr. GEORGE. Mr. President, I do not know whether other proponents of the measure wish to address the Senate this afternoon, or whether any of the opponents of the measure wish to address the Senate this afternoon. Has the Senator from Arkansas finished his address?

Mr. FULBRIGHT. If the Senator will yield, Mr. President, I will say I have finished my opening remarks on the subject. I had thought that the committee amendments might be adopted this afternoon. I understand they are noncontroversial.

Mr. GEORGE. Mr. President, I was going to ask if we could dispose of the committee amendments this afternoon, because the fight in the Senate, of course, is on the merits of the proposal.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. GEORGE. I am glad to yield.

Mr. GILLETTE. It was the expectation of the Senator from Iowa to speak on this measure today, but I have conferred with some of the cosponsors of the substitute measure, and it would now seem to me to be advisable to adopt the committee amendments, if that can be done, and then let the question of debate on the substitute measure be taken up tomorrow.

Mr. GEORGE. That is agreeable to me, if it is agreeable to the majority leader.

Mr. LUCAS. Mr. President, I have no objection to that procedure. I defer to the Senator from Iowa [Mr. GILLETTE] and the Senator from Georgia [Mr. GEORGE]. After the committee amendments are adopted we can then hold everything in abeyance until tomorrow.

Mr. GEORGE. Mr. President, I do not believe any of the committee amendments are controversial. The first committee amendment is one that those opposed to the bill will naturally favor. The Finance Committee was of the opinion that the possession of oleomargarine in a form ready for serving should likewise be controlled. That is a matter dealt with by the first committee amendment which appears on page 2 of the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The first amendment of the Committee on Finance was, on page 2, line 15, after the word "serving", to insert "or the processing in a form ready for serving."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 3, line 5, after the word "unless", to strike out "(1)."

The amendment was agreed to.

The next amendment was, in line 11, after the word "food", to strike out "items; and no" and insert "items."

The amendment was agreed to.

The next amendment was, in line 14, after the word "unless", to insert "(1)."

The amendment was agreed to.

The next amendment was, in line 16, after "(2)", to strike out "such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made therefor, unless."

Mr. WILEY. Mr. President, before that amendment is acted upon I wish to be heard.

The amendment we are now considering, as I understand, is on page 3, line 16, to strike out "such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public

eating place, whether or not a charge is made therefor, unless."

I should like to have an explanation of the amendment. The language was apparently in the original bill, and is now proposed to be taken out.

Mr. GEORGE. That language was in the House bill.

Mr. WILEY. Yes.

Mr. GEORGE. The language was a bit confusing to the Finance Committee. The Finance Committee was of the opinion that retention of the language would result in confusion. In an effort to clarify, the committee offered the amendment to strike. I will say to the distinguished Senator from Wisconsin that the distinguished Senator from Colorado [Mr. MILLIKIN], and I believe the distinguished Senator from Ohio [Mr. TAFT] also participated in this amendment.

Our whole purpose was to make certain precisely what this section meant. If this amendment should be adopted and the bill as thus amended should finally pass, the whole question of difference between the original House language and the new language which we have suggested by way of substitution would be in conference, and it could there be ironed out, if we were laboring under a misapprehension that there was some confusion in the section.

If the Senator will look at the committee report, it will be seen that this matter is fully explained. I refer now to page six of the committee report, at which point there is a discussion of subsection (b) of section 3:

Subsection (b) as amended by your committee requires persons who possess colored oleomargarine or colored margarine in a form ready for serving at public eating places to (1) post a notice that oleomargarine or margarine is served in a prominent and conspicuous place in the establishment, or (2) place such a notice on the menu in type or lettering not smaller than that normally used to designate other food items. Persons who shall serve colored oleomargarine or colored margarine at a public eating place are required to (1) cause each separate serving thereof to bear labeling, or to be accompanied by labeling, identifying it as oleomargarine or margarine, or (2) cause each separate serving thereof to be triangular in shape.

The discussion preceding that clearly indicates that the whole purpose of the committee was not to weaken the House language, but, rather, to clarify it and make certain and definite what the Senate Finance Committee regarded as a confusing expression.

Mr. WILEY. I understand that.

Mr. GEORGE. Let me say that on page 5 the following will be found, under the discussion of section 3 (b):

Section 3 (b) amends section 301 of the Federal Food, Drug, and Cosmetic Act by adding a new paragraph thereto which prohibits the serving of colored oleomargarine or colored margarine in violation of the new section 407 (b) of such act. Section 407 (b) regulates not only the public eating place transaction of serving colored oleomargarine or colored margarine but also places certain requirements upon public eating places which possess colored oleomargarine or colored margarine in a form ready for serving.

I should be very glad to answer any further questions which I can answer." I point out that in this instance the pur-

pose was to amend this section so as to meet the objection which was raised very largely by the opponents of the bill. They thought it confusing. The committee was quite willing to clarify it, and the amendment was presented for that purpose. I think the distinguished Senator from Colorado was very largely responsible for the amendment, although all of us concurred in adopting the amendment in the committee.

Mr. WILEY. Mr. President, will the Senator yield to me at this time?

Mr. GEORGE. Yes; I yield.

Mr. WILEY. It seems to me that by striking out this language, we shall be doing away with what I thought was one of the peculiar features of the argument made by the Senator who spoke before the Senator from Georgia addressed the Senate, when he mentioned that colored oleomargarine would have to be molded in some such shape as that stated here.

But now we have this language:

No person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless (1) each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine, or,

Then the committee recommends striking out the following:

(2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made therefor, unless.

I understand the argument, namely, that by striking out subdivision (2), the remaining subdivision (1), as previously read, together with the language at the conclusion of the paragraph—namely, "each separate serving thereof is triangular in shape"—will make more clear the idea that is embodied in subparagraphs (1) and (2).

Mr. GEORGE. Exactly. In that connection, let me point out that the following appears at the middle of page 6 of the committee report:

The committee feels that subsection (b) in the form in which it passed the House is somewhat ambiguous. Although the foregoing would appear to be what the language of the subsection says—

And we have discussed it—

other interpretations are possible and have been offered. The committee amendment seeks therefore to clarify subsection (b), to make its terms explicit, and eliminate the possibility for misinterpretation and confusion. Since the requirements of 407 (b) are enforceable by criminal actions as well as suits for injunction (secs. 302 and 303, Federal Food, Drug, and Cosmetic Act), it is very essential that the language of this subsection be clear and unmistakable.

This amendment is not made for the purpose of changing the meaning of the language adopted by the House, as we interpret its meaning to be; but since some different interpretation was suggested by way of argument, the distinguished Senator from Colorado, who is a very able lawyer, was of the opinion that it should be clarified in this way. I can assure the Senator that is the whole purpose.

If we should subsequently discover any real reason for wishing to reopen it, I should be very glad to do so, if the amendment is now agreed to.

Mr. WILEY. Let me ask the Senator to interpret for me the meaning of the words "each separate serving."

A few moments ago there was some discussion between the Senator from Iowa [Mr. GILLETTE] and the Senator who previously spoke, in relation to this terminology.

Mr. GEORGE. It means each square or piece of oleomargarine actually served, whether it is served to the same customer or to different customers, whether they are at the same table or different tables, or whether to a multitude of customers in the same restaurant. It means that each serving, whether it consists of one triangular piece or two or more, shall be identified as this proposed act requires.

The alternative identification is, of course, serving in the triangular shape, which will preclude the possibility of cutting it into squares, as butter is usually cut, or into balls, as butter sometimes is molded.

Mr. WILEY. It does not necessarily mean each individual serving; does it?

Mr. GEORGE. Yes; I think it does. That was our interpretation of it, namely, each individual serving has to be so marked.

Mr. WILEY. In other words, if there were four people sitting at one table and served separately from four people who were at another table, the Senator from Georgia would feel that each serving would have to be marked separately, would he?

Mr. GEORGE. If margarine is served to the four people or to any of the four people, it must be so marked and identified. It cannot be identified wholesale.

Mr. GILLETTE. Mr. President, will the Senator from Georgia yield to me for a question?

Mr. GEORGE. Yes; I am glad to yield.

Mr. GILLETTE. In the interpretation the Senator from Georgia has just placed on this language, the Senator from Georgia certainly would not assert that if this bill becomes law and if a plate of oleomargarine is placed upon a table in an eating place, each individual would have to cut a triangular piece out of it before he could partake of it; would he?

Mr. GEORGE. No; I would not contend that. But the manner in which it is served to the individual must clearly indicate that it is margarine. If the alternative—of serving it in triangular form or shape—is used by the restaurant keeper or the hotel keeper, then my own judgment is that it must be a separate serving and must be triangular in shape when served.

Mr. FULBRIGHT. Mr. President, if the Senator will yield to me, let me say that is a definite alternative.

Mr. GEORGE. Yes; I say that is the alternative. If he wishes to adopt that alternative, then he must identify it in the way the law prescribes. That was

my understanding of the language when we passed on it.

Mr. WILEY. I have no further objection.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 3, beginning in line 16 and ending in line 21.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next committee amendment was on page 4, after line 19, to strike out:

Sec. 5. This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

And in lieu thereof to insert:

Sec. 5. Nothing in this act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory.

The amendment was agreed to.

Mr. GEORGE. Mr. President, that amendment was made in order to make it abundantly sure that nothing in this act shall be so construed as to authorize the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory. I think it is clear enough.

The PRESIDENT pro tempore. The next committee amendment will be stated.

The next amendment was, on page 5, line 3, after the word "effective", to strike out "thirty days after its enactment except that section 2 of this act shall become effective 30 days after its enactment or July 1, 1949, whichever date is earlier" and insert "on July 1, 1949."

Mr. GEORGE. Mr. President, that amendment should be further amended. I move that in line 6, page 5, in the date "July 1, 1949," the figure "1949" be stricken out, and in lieu thereof "1950" be inserted.

I offer that as an amendment to the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. GEORGE. Mr. President, if the majority leader desires to do so, I have no objection to laying this bill aside until tomorrow morning, so the opponents of the measure may then proceed with their arguments.

Mr. WILEY. Mr. President, for myself and a number of other Senators, I have offered an amendment.

The PRESIDENT pro tempore. The amendment of the Senator from Wisconsin has been offered, printed in the RECORD, and is the pending question.

Mr. WILEY. Mr. President, the Senator from Iowa [Mr. GILLETTE] wishes to be recognized so that he may speak to

the amendment. I understand we have an understanding that it will then go over until tomorrow.

Mr. GILLETTE. Mr. President, I ask recognition so that I may speak on this amendment the first thing tomorrow. I understand that consent has been given and that the pending subject will go over until tomorrow.

Mr. LUCAS. I ask unanimous consent that the Senator from Iowa may have the floor on the convening of the Senate tomorrow.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry. I inquire if the amendment offered by the Senator from Wisconsin is identical with the one which was originally offered?

Mr. GILLETTE. It is.

Mr. FULBRIGHT. There has been no change in it?

Mr. GILLETTE. There has been no change.

COMPREHENSIVE DEVELOPMENT OF INTERSTATE STREAMS

Mr. HENDRICKSON. Mr. President, the critical water situation which now exists in New York City and, even to a greater extent, in northeastern New Jersey, has aroused the interest of the entire country.

As might be expected, it did not escape the attention of our ambitious Department of the Interior. On December 20 last, Assistant Secretary William Warne, in an interview with representatives of the International News Service, let it be known that the Department is interested in extending its activities in river development programs into the East.

The Interstate Commission on the Delaware River Basin, popularly known as Incodel, of which I have been a member since its creation by the States of New York, New Jersey, Pennsylvania, and Delaware in 1936, took strenuous exception to this proposition.

It informed Mr. Warne, in letter of protest that, in the East, interstate agencies such as Incodel and its counterparts in the Ohio, Potomac, Hudson, and Connecticut River watersheds are doing a fully effective job in water conservation.

This whole subject is of national importance. In fact, in my judgment, the pattern which these interstate agencies are cutting out should constitute the basis for a new, and sound, national water policy.

Because of its implications, I ask unanimous consent to have printed in the body of the RECORD the following material:

First. International News Service's account of interview with William Warne.

Second. Incodel's letter of December 22, 1949, in protest of William Warne's suggestions for extension of the Department of the Interior's river planning activities into the East.

Third. Editorial in Philadelphia Evening Bulletin, December 28, 1949, entitled "No Need for Federal Control."

The PRESIDENT pro tempore. Is there objection?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRITICAL WATER SITUATION SEEN IN EAST IN 15 YEARS

WASHINGTON.—Assistant Interior Secretary William Warne predicted today that available water supplies will become critical in the East and require ambitious conservation programs within 15 years or less.

Warne forecast that the programs, mostly under Federal sponsorship, will be aimed at controlling large rivers and distributing greater supplies of water in much the same manner as western reclamation projects.

The final goal will be different, however, according to Warne. In the West, he said, Federal reclamation projects are designed primarily to boost irrigation for agriculture. In the East, he said, the chief object will be to keep up with increased demands for human consumption and municipal requirements, including power.

Warne outlined the prospects of extensive Federal river development over the eastern half of the United States in an interview. He told International News Service:

"We don't have any new programs formulated yet for river-development programs in the East. Consideration of Federal projects in New England is still in the talk stage.

"But there will be more of them. The present situation is leading inevitably to that. Only through comprehensive development of eastern streams can you solve the problem of water supplies which will become critical."

As examples of the types of eastern rivers that might be better developed for their water resources, Warne cited the Ohio, the Potomac, the Hudson, and the Connecticut.

The Assistant Interior Chief also predicted that added emphasis will be placed soon on collecting more data about eastern water supplies and the need for flood control and control of stream pollution.

THE INTERSTATE COMMISSION ON THE DELAWARE RIVER BASIN, Philadelphia, Pa., December 22, 1949.

DEAR SIR: I enclose herewith a copy of letter mailed today to Hon. William Warne, Assistant Secretary, United States Department of Interior, taking exceptions to statements made by him in interview in Washington with representatives of the International News Service. A copy of the INS story is also enclosed for your information.

It occurred to me that you would find this subject of interest and news value.

Sincerely yours,

JAMES H. ALLEN,
Executive Secretary.

DECEMBER 22, 1949.

HON. WILLIAM WARNE,
Assistant Secretary, United States
Department of Interior,
Washington, D. C.

DEAR MR. WARNE: This letter is in regard to statements reported in the press as being made by you in an interview with representatives of the International News Service, apparently on December 20.

According to the news item, you maintain it is only through ambitious conservation programs for the comprehensive development of eastern streams, mostly under Federal sponsorship, that municipal water-supply problems of the East can be solved. There is a clear inference in the story that you believe this job should be entrusted to the Department of the Interior.

I wish to register a strong objection to these theories.

I would call your attention to the fact that, in the Delaware River Basin, the States of New York, New Jersey, Pennsylvania, and Delaware have delegated the task of formulating programs for the control, utilization, and conservation of the water resources of the all-important Delaware River system to the Interstate Commission on the Delaware River Basin. I know you have heard of this agency. It is popularly known as Incodel.

We are proud of the accomplishments being made under this procedure, in the field of stream pollution, water-supply development, flood control, and conservation of soils and forests. Within a few weeks we shall submit to the governors of the three upper States a sound, not ambitious plan designed to meet the future water-supply requirements of the Nation's first and third largest cities, New York and Philadelphia, and the fast-growing metropolitan area in northeastern New Jersey. The areas served contain more than 10 percent of the entire population of the country. The project will have tremendous incidental benefits, some of which, under present standards used by Federal agencies, are in the national interest and would be paid for out of the Federal budget.

We welcome any advice or assistance which your Department may be in a position to offer on a cooperative basis, but we resent any impression on your part that States and their political subdivisions in this region do not have the capacity to solve their own problems.

Similarly, although on a more limited basis, existing interstate agencies are doing an effective job in water conservation in other eastern rivers such as the Ohio, Potomac, Hudson, and Connecticut.

You should agree that we here in the East, being closer to our people, are in a better position to feel the pulse of affairs than you in Washington. Nowhere have we heard any clamor for Federal intrusion in the matter of water development, either by agencies patterned after TVA or by longer established departments such as yours or the Army engineers. In fact, from what we hear, the reverse applies. The cry is for less, not more, federalism, whatever its form.

Incidentally, we would be very much interested to learn the basis for your apparent belief that the Department of Interior has the authority to exercise jurisdiction in the matter of the development of eastern streams. We are aware of the fact that congressional laws delegate powers to your Bureau of Reclamation in certain Western States in respect to the planning and construction of water projects for the irrigation of arid lands. Significantly, we have heard numerous complaints from these areas to the effect that this essential use is being subordinated and penalized economically in favor of an obsession by the Bureau to produce cheap public power.

I trust that the information in this letter will permit you to rest assured that any impending critical water situations in the East will be faced squarely by the agencies of Government, Federal, State, and local, upon which the responsibility falls.

I am sending a copy of this letter to the press.

Sincerely yours,

JAMES H. ALLEN,
Executive Secretary.

[From the Philadelphia Evening Bulletin of December 28, 1949]

NO NEED FOR FEDERAL CONTROL

The Interstate Commission on the Delaware River Basin has a solid foundation for its opposition to the suggestion of William Warne, Assistant Secretary of the Interior Department, that the East's water problem can be solved only through an ambitious conservation program under Federal sponsorship.

The Commission properly questions the authority of the Interior Department to inaugurate such a program, and points out that the States, through cooperative endeavor, are already doing the job along the Delaware. The cost, too, is probably less than under Federal control.

The Interior Department has little to boast about in its water policies. Its refusal to prevent pollution of Monocacy Creek where it flows through the Gettysburg Battlefield has delayed a clean-up of the Potomac, to cite only one instance.

The Interior Department does have a water job to do, but its record in the East indicates that it already has its hands full. On the other hand, effective work in water conservation and clean-up is being done by interstate agencies along such rivers as the Delaware, Ohio, Potomac, Hudson, and Connecticut.

The Interior Department can accomplish more by cooperating in such undertakings than by attempting to run the show.

DEATH OF REPRESENTATIVE BATES, OF MASSACHUSETTS

The PRESIDENT pro tempore laid before the Senate a resolution (H. Res. 410) coming over from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
January 3, 1950.

Resolved, That the House has heard with profound sorrow of the death of Hon. GEORGE J. BATES, a Representative from the State of Massachusetts.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. SALTONSTALL. Mr. President, I offer a resolution and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 199) was read, and by unanimous consent, the Senate proceeded to its consideration, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. GEORGE J. BATES, late a Representative from the State of Massachusetts.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. SALTONSTALL. Mr. President, in connection with the resolution I desire to say a few words. I knew the late GEORGE BATES for a great many years. I worked with him first as a member of the Massachusetts House of Representatives in the statehouse on Beacon Hill in Boston. He became an authority on municipal law. He showed courage and firmness in advocating and working for measures designed to better the conditions of and to place on a sounder basis the municipalities of our Commonwealth. He then became the mayor of the city of Salem, in which capacity he served for 10 years before becoming a Member of Congress. He served in the office of mayor with such distinction and gained the confidence of the people of his city to such an extent that he was elected as their Representative in Congress with very little opposition; in fact, as I recall, for

the last two terms he served he was unopposed for the office because of the high regard in which he was held by the people of his district.

As a Representative in Congress he was very active in naval affairs. He had a very full understanding of the power and strength and influence of the Navy, and the necessity for its maintenance. He was well informed on every subject that came before Congress.

He was a devoted husband and father; and a loving wife and seven children survive to mourn his loss. A son-in-law was killed in the service of his country in World War II.

We who come from Massachusetts miss him grievously, both as a friend and as a public servant of high ideals.

Mr. LODGE. Mr. President, I never thought it would be my lot to rise on this floor to speak about the death of the late GEORGE J. BATES. He was the Representative in Congress from the district in which I live. He was not only a public official with whom I was closely associated, but also a lifelong neighbor and close personal friend.

He started out in life under conditions of difficulty. He had to tread a hard road. His family had little in the way of worldly goods. He had to educate himself and make his way in the world by the force of his own intellect and the sweetness and the strength of his own character. He rendered a fine service in the Massachusetts Legislature, where he became recognized as an authority on different questions of government. He had a unique tenure of office as mayor of the city of Salem. He then was elected to the House of Representatives from the Sixth Congressional District, taking the seat which had been occupied before him by the late A. Platt Andrew and the late Augustus P. Gardner, men of the highest standing, who were always able to represent that district, supported by the overwhelming suffrage of the people who lived in that section of Massachusetts.

His untimely death in an airplane accident in November cut short a career which I am convinced had a tremendous and brilliant future still ahead of it, as well as a most inspiring past. He is mourned not only by his family and friends but by the whole community of which he was a part.

The State of Massachusetts is enriched by a citizenry which traces its roots to many different ancestries and worships in many different faiths. GEORGE J. BATES was able to unite all the people of that part of the State, because he took the broad view, he took the national view, and he was never animated by small or petty prejudices. He was not only a man of intellect and of great mental force, but he was also a man of extraordinary public and civic courage. There are many occasions which I can remember when he took positions long before it became the popular or the expedient thing to do so, when he expressed opinions which cost him something, but which he felt it right to do in order to be true to his duty as a public servant.

Mr. President, we can ill afford to lose a man of his caliber, and I heartily echo

81ST CONGRESS
2D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1950

Ordered to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Proposed by Mr. WILEY (for himself, Mr. GILLETTE, Mr. BUTLER, Mr. THYE, Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER, Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE, Mr. GURNEY, Mr. MUNDT, Mr. AIKEN, Mr. ECTON, Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPEHART, Mr. JOHNSON of Colorado, Mr. CORDON, Mr. HUMPHREY, Mr. DONNELL, Mr. FLANDERS, and Mr. FERGUSON) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: Strike out all after the enacting clause and in lieu thereof insert the following:

1 DEFINITIONS

2 SECTION 1. (a) The term "oleomargarine" as used
3 in this Act includes—

1 (1) all substances, mixtures, and compounds,
2 known as oleomargarine, margarine, oleo, or butterine;

3 (2) all substances, mixtures, and compounds which
4 have a consistency similar to that of butter and which
5 contain any edible oils or fats other than milk fat if
6 (A) made in imitation or semblance of butter, or pur-
7 porting to be butter or a butter substitute, or (B)
8 commonly used, or intended for common use, in place
9 of or as a substitute for butter, or (C) churned, emulsi-
10 fied, or mixed in cream, milk, skim milk, buttermilk,
11 water, or other liquid and containing moisture in excess
12 of 1 per centum and commonly used, or suitable for
13 common use, as a substitute for butter.

14 (b) For the purposes of this Act, "yellow oleomar-
15 garine" is oleomargarine, as defined in subsection (a) of this
16 section, having a tint or shade containing more than one and
17 six-tenths degrees of yellow, or of yellow and red collectively,
18 measured in terms of the Lovibond tintometer scale read
19 under conditions substantially similar to those established
20 by the Bureau of Internal Revenue, or the equivalent of
21 such measurement.

22 (c) The term "commerce" as used in this Act, means
23 trade, traffic, commerce, transportation, or communication
24 among the several States, or between the District of Co-
25 lumbia or any Territory of the United States and any State

1 or other Territory or between any foreign country and any
2 State, Territory, or the District of Columbia, or within the
3 District of Columbia or any Territory, or between points in
4 the same State but through any other State or any Terri-
5 tory or the District of Columbia or any foreign country.

6 PROHIBITED ACTS

7 SEC. 2. The manufacture, transportation, handling, pos-
8 session, sale, use, or serving of yellow oleomargarine in
9 commerce, or after shipment in commerce as yellow oleo-
10 margarine, or in connection with the production of yellow
11 oleomargarine for shipment in commerce, is hereby declared
12 unlawful: *Provided, however,* That yellow oleomargarine
13 manufactured or colored within the borders of a State or
14 Territory in which it is to be consumed shall not be sub-
15 ject to the provisions of this Act but shall be subject to the
16 laws and regulations of such State or Territory. Nothing
17 contained in this Act shall be construed to limit in any way
18 the applicability of the Federal Food, Drug, and Cosmetic
19 Act.

20 ENFORCEMENT

21 SEC. 3. The Administrator of the Federal Security
22 Agency is authorized and directed to administer and enforce
23 this Act and to prescribe and enforce rules and regulations
24 to carry out its purposes and policies. The enforcement
25 provisions of the Federal Food, Drug, and Cosmetic Act,

1 including the provisions relating to injunctions and seizure,
2 shall be available for the enforcement of this Act.

3 PENALTIES

4 SEC. 4. Any person, firm, or corporation violating any
5 of the provisions of this Act, or of the rules and regulations
6 issued in connection therewith, and any officer, agent, or
7 employee thereof who directs or knowingly permits such
8 violations, or who aids or assists therein, shall upon con-
9 viction thereof be subject to punishment in the same manner
10 and to the same extent as persons who violate the Federal
11 Food, Drug, and Cosmetic Act.

12 APPROPRIATIONS

13 SEC. 5. There is hereby authorized to be appropriated
14 annually, out of any money in the Treasury not otherwise
15 appropriated, such sums as may be necessary for the ade-
16 quate enforcement of this Act.

17 REPEAL

18 SEC. 6. The following sections of the Internal Revenue
19 Code (relating to taxes on colored and uncolored oleomarga-
20 rine, to special occupational taxes on manufacturers, whole-
21 salers, and retailers of oleomargarine, and to packaging, re-
22 porting, and other regulations of oleomargarine) are hereby

- 1 repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305,
- 2 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201
- 3 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305,
- 4 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201).

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Proposed by Mr. WILEY (for himself, Mr. GUILLETTE, Mr. BUTLER, Mr. THYE, Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER, Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE, Mr. GURNEY, Mr. MUNDT, Mr. AIKEN, Mr. ECTON, Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPEHART, Mr. JOHNSON of Colorado, Mr. CORDON, Mr. HUMPHREY, Mr. DONNELLY, Mr. FLANDERS, and Mr. FERGUSON) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 4, 1950

Ordered to be printed

PITTSBURGH, PA., January 5, 1950.

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: Our chance for colonization of Liberia, west Africa, lies in your support of bill S. 1880.

HERCHEL BOYD.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: God loves a cheerful giver. Give your vote to S. 1880.

Mrs. GERTRUDE RAINES.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: The passage of bill S. 1880 is necessary. Please give it your support by voting for it.

JAFUS FRANKLIN BOYD, JR.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: We are backing you with prayers. Please give your full support to bill S. 1880.

Mrs. LOLA FOSTER.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: Prayers will do its part, if you will do your part. Please vote for it.

Mrs. ARZULA EVERETT.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: Please open the doors of Liberia by casting a vote for bill S. 1880.

ADELL RICHARDSON.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: Please pass bill S. 1880. It is an opportunity for our people.

LLOYD FOSTER.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: The bill S. 1880 is passed. The battle is won for opening backward areas.

Mrs. ELIZABETH KAYE.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: God is backing us. We are backing you. Give your support to bill S. 1880.

GURTLE HODGE.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: In regards to bill S. 1880, please give it your full support.

Mrs. ROSETTA ELLIOT.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: To cast a vote for S. 1880 is an open door to Liberia.

WASH ALLEN REODIE.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: An open door to Liberia will be an opportunity for our children of tomorrow. Vote for bill S. 1880.

KATE FRANCIS ELLIS.

PITTSBURGH, PA., January 5, 1950.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: My desire is to emigrate to Liberia. Vote for bill S. 1880.

AMZIAH RAINES.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Wisconsin [Mr. WILEY] for himself and other Senators. The Senator from Iowa [Mr. GILLETTE] has the floor.

Mr. GILLETTE. Mr. President, we have just passed through the Christmas holidays, and one of the fine customs of this season is the sending of greetings to our friends and receiving them from our friends. But, Mr. President, in the last week I have received over 200 Christmas cards with this type of message:

MY DEAR SENATOR: We extend to you the season's greetings: Merry Christmas and happy New Year. Hark the herald angels sing; peace on earth, good will to men—and please give your support to the removal of restrictions on the oleomargarine sale.

[Laughter.]

Mr. President, that is a prostitution of the joys and purposes of the Christmas season and is somewhat indicative of the methods being used in the consideration and the attempt to whip up public support for the pending measure.

I came to Washington 17 years ago next March. I understand that this question in its various phases has been debated some 64 times. I personally have heard debates on this question more than 30 times. I did not think there was anything new which could be offered. But yesterday the able Senator from Arkansas [Mr. FULBRIGHT] offered a new argument in support of the bill, calling attention to a recent election in the State of Ohio, in which the people of Ohio, exercising their right and privilege as electors, decided in favor of giving permission for the sale of colored oleomargarine. The Senator from Arkansas took great comfort from that. I also call his attention to the fact that the people of Ohio, in express-

ing their viewpoint at the polls, decided in support of candidate Dewey. Whether in the opinion of the Senator that is a conclusion he supports, I do not know.

The point is that the people of Ohio and the people of Arkansas and the people of Iowa have, and should have, the right to determine what sort of articles they wish to sell in commerce, and to regulate them under the authority they have, not under an authority imposed upon them by the Federal Government.

I have been astonished, Mr. President, at the misconception which appears in the public press, editorially and otherwise, and also in the broadcasts of news commentators, as to what this issue is. My only purpose in rising at this time and discussing this matter is, if I can do so, to fix the issues which are to be determined here.

The proponents of the bill and the advocates of the sale of yellow oleomargarine say they have a palatable product. They have; it is definitely palatable; I use it frequently, and I like it.

They say they have a wholesome product—and they have. No one questions that.

They say they have a nutritious product filled to the brim with vitamins P, D, Q and B, V, D, and vitamins of all other kinds. [Laughter.] They have; there is no question about it.

They say they have, and can put on the market, an article which can sell at a price less than the price of butter. They have; there is no question about it.

They say they should have a right to sell their product in an untrammelled way in the market place. There is no question about that, provided they sell it on its merits.

They say it can stand on its own feet, can stand alone on its merits, and should have a right to do so.

Very well; then why do not they go ahead and sell it? They say the taxes on oleomargarine ought to be repealed, and some of them have been; and our substitute measure provides that all of them shall be repealed. That is not the issue. Hundreds of letters which I have received ask me to support a repeal of the excise taxes on oleomargarine. But that is not at issue. There is no Senator on this floor or in this body who will vote at this session for a retention of the taxes on oleomargarine. We say, "Go ahead and sell your product on its merits, which it undoubtedly has. No one is preventing that."

But they say, "Oh, but we want to go ahead and color it."

We reply, "Go ahead and color it; color it pink or red or green; give it all the hues of the rainbow, if you want to."

But they reply, "No, but we want to color it yellow."

Why is that, Mr. President? Is it so that it can stand on its own merits? No.

They say, "We want to color it yellow so that it can usurp the good will and

the market butter has built up over scores and scores of years."

Mr. President, there is no other purpose. For what other purpose, I ask my fellow Senators, are advertisements of oleomargarine printed in yellow—as we observe when we pick up a copy of the Saturday Evening Post or of Collier's magazine or of any other national magazine, in which there appear full-page advertisements, printed in yellow, of oleomargarine, and on which there also appear pictures of pastures, with cows peacefully grazing. Why is that done? Is it done so that oleomargarine may stand on its own merits? No, Mr. President, it is done for the sole and only purpose—and the Senator from Arkansas admitted it yesterday in his very scholarly and able address—of trying to take over a market by deluding and deceiving the people.

Mr. President, I have a formal address which I have prepared, and which I shall deliver if I ever get to it; but at the moment I wish to call attention to this bill. If ever I have seen—and I say this in all kindness—a unique bill, and one almost ridiculous to the point of absurdity, it is the proposal to which we have offered the amendment.

Let me call attention to the provisions of the bill.

The first paragraph reads:

That section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is repealed.

Fine; we are for it; our substitute provides for it.

Next:

SEC. 2. Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed.

Fine; our substitute proposes to repeal it.

Then what does the bill say?

SEC. 3. (a) The Congress hereby finds and declares that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such or which is otherwise adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act—

Is unlawful? Oh, no. Is punishable under the penalty provisions of the Federal Food, Drug and Cosmetic Act? Oh, no; not unlawful; but—

depresses the market in interstate commerce for butter and for oleomargarine or margarine clearly identified and neither adulterated nor misbranded, and constitutes a burden on interstate commerce in such articles.

All right; how is anyone going to be punished for a violation of that provision? Will the punishment be under the authority of the penalty provisions of the Federal Food, Drug, and Cosmetic Act? Oh, no. Listen to this statement at the bottom of the page:

SEC. 407. (a) Colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced shall be subject in the same manner and to the same extent to the provisions of this act as if it had been introduced in interstate commerce.

Let me digress here to say to the States' rights Democrats from the South that if ever I have seen a bold, bald, inexcusable instance of an attempt to violate States' rights by some sort of regulation within their borders, it is that language. Shades of John C. Calhoun, Alexander Stephens, Kirby Smith, and Sam Houston.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. FULBRIGHT. The Senator from Iowa knows that these provisions were included in an effort, so to speak, to satisfy the complaint which had been made by the butter interests, and constitute no protection against the sale of margarine in a local sense.

The Senator says he is for the repeal of the taxes. I will go along with the Senator for nothing more than the repeal of the taxes, and will forget about all the rest, if the Senator and his colleagues who oppose the proposed legislation are agreeable to that. My point is that these provisions were included in an effort to satisfy the complaint—which I think was not altogether genuine—that there might be some deception in the local sales, in a restaurant. That is the only purpose of this provision. Personally, the proponents of this measure would be entirely agreeable to go along with a complete repeal of all present legislation on this subject, and nothing more, if the Senator will agree to that.

Mr. GILLETTE. I am very glad that the penitent has come to the rail; but I may remind him that the bill we are considering, of which he is one of the proponents, came to us from the House of Representatives, under the name of Representative POAGE, of Texas, that it has been considered by the Finance Committee, and reported to the Senate with these provisions. I submit to him that I have never offered them, neither have I had an opportunity to offer them. I do have an opportunity to call attention to their impracticability, their inapplicability, and their utterly ridiculous nature, as I see them.

Mr. FULBRIGHT. Mr. President, if the Senator will further yield, let me say that I assume that he would not wish to leave the impression that he would be in favor of an outright repeal of all Federal laws regarding margarine; would he?

Mr. GILLETTE. A repeal of all laws?

Mr. FULBRIGHT. Of the Federal laws relating to margarine. Would the Senator leave that impression?

Mr. GILLETTE. That is too comprehensive a question. I do not have in my mind at the present time the provisions of all the Federal laws relating to the sale of oleomargarine.

Mr. FULBRIGHT. I am referring only to section 2301; that is the first one, and section 2 of the pending bill. I merely want it to be made clear to the Senate that the Senator is not in favor of the repeal of those laws. Am I correct in that?

Mr. GILLETTE. Yes. I call the Senator's attention to our substitute, which in section 6 provides:

REPEAL

SEC. 6. The following sections of the Internal Revenue Code (relating to taxes on

colored and uncolored oleomargarine, to special occupational taxes on manufacturers, wholesalers, and retailers of oleomargarine, and to packaging, reporting, and other regulations of oleomargarine) are hereby repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201).

Mr. FULBRIGHT. Is the Senator willing to stand on that provision, and omit the remainder of his substitute?

Mr. GILLETTE. Certainly not.

Mr. FULBRIGHT. That is all I want to know.

Mr. GILLETTE. The Senator knows. The question I believe is just as ridiculous as the proposal which the Senator is supporting now in the Senate. Let me go on. If the pending bill should become law, when, and under what circumstances would oleomargarine become subject to a penalty, when, in the State of Arkansas, or in the State of Iowa, or in the State of Texas, or in the State of North Dakota, it is sold in public eating places, whether produced within the State or not? I shall digress to say that, other than this, there is not a penalizing provision in the entire bill. In the first paragraph it is exempted. Section 301 of the Federal Food, Drug, and Cosmetic Act contains 12 provisions, each one referring to a violation by misbranding or adulterating; but there is not a single one of the 12 which applies under this bill. The proponents of the bill, recognizing that, did not attempt to work within the penalizing provisions, but said they would add something to it. Moreover, admitting under the old legal plea of confession and avoidance, that there were people who would use it as a means of fraud, the proponents of the bill wanted to avoid the penalty, and so they said, "We will add to section 301, the provision: 'The serving or the possessing in a form ready for serving of colored oleomargarine or colored margarine in violation of section 407 (b).'"

That would bring it within the penalizing provision of section 301 of the Internal Revenue Code and section 407 (b) of the Food, Drug, and Cosmetic Act. It means that if colored oleomargarine is being sold in Mississippi, whether produced within the State or not, anyone who sells it in a public eating place must post in a public place a notice that can be read, along with the cigarette license, the soft-drink permit, the permit for the selling of beer, and the sanitary code permit of the State, county, or municipality. They should all be displayed so that every customer entering the place would stop to read them. We know the customer will not do it. It is utterly foolish.

Proponents of the bill then do two other things that would exempt oleomargarine from a penalty. They provide that "each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine." Yesterday I asked the distinguished Senator from Arkansas what he meant by "labeling." How is it proposed to label oleomargarine that is going to be served to prevent its coming within the penalizing clause? The Senator stated it would be very difficult to make an imprint on the

oleomargarine because, by their very nature, butter and oleomargarine are prone to soften, thus obliterating the imprint. The Senator suggested it might be possible to use the label on the plate on which it was to be served. The plate might be made in China, and over the name "Royal Doulton china," or "Wedge-wood china" perhaps there would be imprinted the word "oleomargarine"; or if the oleomargarine were served on a little butter patty, under the patty there would be placed on the plate so the user could clearly see it the word "oleomargarine." The user would then see that it was oleomargarine before he tried to use it. Can Senators conceive of anything more ridiculous, more impossible of enforcement?

It is further provided, alternatively, that each separate serving thereof shall be triangular in shape. I emphasize, "each separate serving." I called the Senator's attention yesterday to a custom which was formerly more widespread than it is today, of placing a plate of butter on the table along with the plate of potatoes and the plate of meat, and passing it to the guests, letting the guests help themselves. The practice is not so widespread now as it once was, but it is still followed. Does the provision of the bill mean that the oleomargarine shall be put into triangular form when placed on the table, or does it mean that as it is passed each guest shall help himself to it and shall be expected to cut a triangular piece for himself, on pain of subjecting himself to the tax? [Laughter.] I am not joking. I ask, if it were attempted to enforce such a ridiculous provision, whether Federal inspectors would go into the restaurants in Arkansas and into the restaurants in Georgia and Texas, as an army of Federal inspectors, to snoop around and watch to see whether under each little butter patty there was stamped the word "oleomargarine" or to determine whether it had first been cut into triangular form before being used in order that they might file an information under the Federal Food, Drug, and Cosmetic Act? How far would they get? A survey was made in the State of Arkansas, which showed that more than 60 places within the State were violating the State provision against the sale of oleomargarine.

I turn my attention for a moment to States' rights Democrats. I sat in the Senate when we were debating FEPC, the repeal of the poll tax, and similar measures, and I have supported the States' rights Democrats. I have supported the southern Senators. I sat in that particular chair to my right when the Senators would pat me on the back as they went by and say, "Gux, you are a statesman. You are a statesman because you do not believe that the Federal Government has any right to tell Iowa that it cannot make the payment of a poll tax a condition precedent to voting any more than it can say you must make it a condition precedent. You are a hero, Gux. We are for you for standing up with the southern boys." I was here supporting the States' rights Democrats—a Democrat from Iowa,

where a States' right Democrat was outside the pale of human decency—because I believed in this measure of local control. I have lived to see brother Senators—and I love them—and brother Representatives—and I know many of them and love them—come here and ask that a Federal law be placed on the statute books to authorize turning loose, if necessary, an army of Federal snoopers in the States to prosecute and convict, if possible, under such preposterous and amorphous language as that proposed, to find them guilty of selling within their own State an article which was permitted to be manufactured and sold. I did not think I would live to see it. I am disappointed that I have lived to see it. But let us go on.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. GILLETTE. I am glad to yield.

Mr. DOUGLAS. Does the Senator remember a dictum of Justice Oliver Wendell Holmes, in one of the celebrated cases, in which Justice Holmes said, "Abstract considerations have nothing to do with concrete policies"?

Mr. GILLETTE. I thank the Senator. I do not recall the passage, but I may say it has extreme applicability to the present situation.

Let us go on with the reference to the Senators who drafted this bill; and I really should have liked to sit with them when they drafted it. Not only did they, as I have said, propose these ridiculous provisions; they went further. Mind you, Mr. President, the only way oleomargarine can be brought under a penalty provision is by subsection (b). But the proponents of the measure added subsection (c), reading as follows:

Colored oleomargarine or colored margarine when served with meals at a public eating place shall at the time of such service be exempt from the labeling requirements of section 403 (except (a) and 403 (f)) if it complies with the requirements of subsection (b) of this section.

There was to be a labeling requirement, or it was to be required that the oleomargarine be cut into a three-cornered piece before serving. It is now to be exempted from the labeling requirement, bringing it under section 403 of the Internal Revenue Code, if it complies with subsection (b). In other words, it is unnecessary to label, as has been said. It is unnecessary to label in any way, if the oleomargarine is served in triangular form. It is a ridiculous proposal. Section 403 is the penalizing provision, which I shall read.

Mr. FULBRIGHT. Mr. President, while the Senator is turning to that section, will he yield?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. GILLETTE. I am glad to yield.

Mr. FULBRIGHT. I am not sure whether the junior Senator from Illinois was here a moment ago, but I should not want him to be under the misapprehension that it is the purpose of the Senator

from Iowa to protect States' rights. I wanted to call his attention to section 5, on page 4, reading as follows:

Nothing in this act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory.

That, in other words, expressly reserves the right of each State to do as it likes about the whole matter. But the point on which the Senator from Iowa is, I think, leaving a false impression, is that the proponents of the measure are proposing Federal laws for the control of margarine. That creates a completely false impression in the minds of people who are not familiar with the legislation. We did not initiate the legislation. What we are struggling to do is to remove the existing discriminatory laws which have been maintained for 64 years by the persons who take the attitude taken by the Senator from Iowa. I mean the Senator has completely reversed the purposes.

So far as I am concerned, and, I think, so far as those who are proposing the pending measure are concerned, we should be perfectly willing to eliminate every law on the statute books relating to oleomargarine. I want to make that perfectly clear. We are not simply proposing Federal legislation in this field. We already have such legislation, which is completely unjustified. We are seeking to modify the impact of it. I think the Senator should not leave the impression that he is a States' rights man and is seeking to eliminate the Federal influence in this bill. That is not correct.

Mr. GILLETTE. In reply to the Senator from Arkansas, I will say that the junior Senator from Iowa is not seeking to leave the impression that he is a States' rights man. He is asserting that he is a States' rights man.

Mr. FULBRIGHT. But the Senator from Illinois [Mr. DOUGLAS], from his question, had received a wrong impression as to my position and that of the proponents of this bill.

Mr. GILLETTE. I absolve the Senator from any ulterior purpose. What I have tried to do in my very inadequate way has been to point to the utter absurdity of the language of the bill as it is proposed at the present time.

Mr. FULBRIGHT. The Senator very clearly left the implication that the Senator from Arkansas is not a States' rights man.

Mr. GILLETTE. If I have left that impression, I apologize, because there have been ample manifestations of the position of my southern friends and colleagues, and I assume there will be other manifestations in the further weeks of the Congress. But I am saying that in the pending legislation, in my opinion, in my judgment, and for the reasons which I have pointed out, and others which I hope to point out, there is a clear support of the right of the Federal Government and its agents to penalize, if they can be brought within the provisions, the people of Arkansas if they do not com-

ply with the provisions as to labeling and as to cutting the product in triangular form.

Mr. FULBRIGHT. I ask the Senator if he would be willing to offer an amendment to strike that particular provision and any other similar provision from this bill?

Mr. GILLETTE. The Senator has asked me that question previously. I have no desire to perfect the Senator's bill, because I think it is absolutely ridiculous and absurd. I am joining with 25 of my colleagues in offering a substitute for it. The Senator will recall that on yesterday, when there was a suggestion of cutting the product in triangular pieces and labeling the plate on which it was served, it was said that it would be almost impossible of enforcement, and the suggestion was made that we might be willing to accept an amendment. That amendment was pending as a committee amendment at the time; and if the Senator wanted it eliminated he had a most glorious opportunity to do so at that time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. AIKEN. The Senator from Arkansas has just made a very interesting proposal, which I think the dairy interests might be inclined to consider very seriously. That is the proposal to eliminate from the books all laws relating to oleomargarine. The first law to be eliminated is that which gives domestic oleomargarine a protection of 22 cents a pound against imported oleomargarine. The next to consider for purposes of elimination would probably be the law which gives producers of oleomargarine the right to fortify it, to put in flavor to make it taste like butter, and particularly the law permitting the use of benzoate of soda or other embalming materials so that oleomargarine can be made to look like butter indefinitely. No doubt there are several other laws which probably could be eliminated from the books and in which the dairy interests might show a great deal of interest.

I hope the Senator from Iowa will consider seriously the proposition of the Senator from Arkansas when he proposes to eliminate all laws on the books relating to oleomargarine.

Mr. GILLETTE. I thank the Senator. I may say that the esteemed Senator from Arkansas rather anticipated me by quoting the amendment which the Senate Finance Committee put into the bill, which provides as follows:

Nothing in this act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory.

Why was that amendment inserted? In the first place, we are authorizing it. In the second place, we are attempting to bring it under the penalty provisions of the law, and in the third place, we strike out the provision put in by the House, which was as follows:

This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Long in the chair). Does the Senator from Iowa yield to the Senator from Texas?

Mr. GILLETTE. I yield.

Mr. CONNALLY. I am sorry to interrupt the Senator, but he pointed to the Senator from Texas, and I want to ask the Senator what his attitude would be if the situation were turned around and this were a bill to limit the sale of milk or any other food product. Would he be in favor of it?

Mr. GILLETTE. Certainly not. I will answer that question categorically.

Mr. CONNALLY. If it referred to milk or any other food product except oleomargarine, would the Senator favor such a bill?

Mr. GILLETTE. I would not favor such a bill. Neither would I favor such a bill with reference to oleomargarine. I would not favor any restriction on any food product excepting a product which is being used to deceive the public, under laws the purpose of which is to permit the public to be defrauded. Yesterday the question was asked, "What about white cotton? What about using rayon as a substitute for white cotton?" No one can object to the sale of oleomargarine anywhere in the United States, provided the States permit it, if it is sold on its own merits. But the producers of it refuse to let it stand on its own merits. They insist on selling it as an imitation of something else, for the purpose of deceiving the public.

The esteemed Senator from Texas, whom I love, shakes his head in disappointment at my temerity in making such a suggestion. But what other purpose is there in the Food and Drug Act? What other purpose is there in any of our protective enactments than to protect the public from mislabeling, misadvertising, and misbranding? Every one of the provisions of section 301 of the act deal with the question of misbranding and misrepresenting to the public. That is where the penalizing provisions are imposed. But because of the fact that there is not a single one which would apply to this situation, an attempt is made to bring it in by means of this abortive proposed legislation.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. FULBRIGHT. The Senator knows very well that margarine was made yellow by natural ingredients, but the dairy interests were instrumental in preventing its being made in its natural color. In many parts of the country, in the Senator's own State, at this time of the year every pound of butter is colored in an attempt to deceive the people and to make them believe that the butter was produced in the summer time when it is naturally yellow. The Senator knows that very well. If that line of argument be used, it is just as applicable to butter as it is to margarine, because butter is not naturally yellow in the winter time.

Mr. GILLETTE. Butter is naturally yellow in the winter time. Before I came to Congress I milked 12 cows every morn-

ing and every evening, and sold milk and butter. I know a little about the dairy business. Butter is colored, if it is colored, for the purpose of uniformity, and not for the purpose of deceiving the public or misrepresenting the product as being something other than what it is. Of course, when cows are turned out after feeding all winter on dry hay, and they are permitted to eat new green grass, the butter is intensified in color. When the cows are fed on dry feed the butter is lighter in color. Some of the farmers do color it, especially where they have regular customers, in order to maintain uniformity. It is not for the purpose of deceiving the public, it is for the purpose of maintaining uniformity of the product.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. FULBRIGHT. The Senator is apparently basing his argument on the pure motives of those producing butter. The fact is the people are deceived into thinking the product they are getting is butter produced by a cow eating green grass which gives it the color. The Senator says, "if it is colored." The testimony in every one of the hearings of the committee leaves no doubt that butter is colored. I do not know why the Senator would say "if it is colored." All the experts from the Butter Institute admitted under cross-examination that it is colored. There is no doubt about that, and I do not think the Senator wants to leave the impression that there is doubt about butter being colored.

The Senator should also make it clear that it is the only product which by special act of Congress is expressly exempted from having the statement made that it is artificially colored, which obviously leaves a doubt in people's minds as to the motives. Why do not those who produce it say on the carton that it is colored for purposes of uniformity? To be frank about it, why do not the producers of butter do as the producers of other commodities do? It is the only commodity which, merely because it has the votes in the Congress, and because it has great numbers of people back of it, imposes its will on the Congress and has itself exempted from proper labeling, a requirement which every other food product must observe.

Mr. GILLETTE. The Senator in his zeal propounded several questions to me, and I shall have to take them up one at a time. In the first place, he states that butter is colored. There is no question about that. When he says that all butter is colored, he does not state a fact.

Mr. FULBRIGHT. I did not say "all butter."

Mr. GILLETTE. When he says that some butter is colored, I agree. When he makes the statement that I am supporting the contention that all dairy-men are pure, I must say I am not. Being a dairyman myself, I never claimed purity even for myself. I have referred to two and a half million factories in the United States, small factories on the farms, such as the one on the farm home where I was raised, where my mother made butter and took it to town and

sold it to customers every Saturday, 10 pounds. We got 20 cents a pound because of the superior quality of the butter, and that \$2 was used to help dad to pay for a new harvester when he got it.

I know mother did not color the butter. We did not have any color. I know she probably would have if we had had it at that time. But what is said about the coloring is no argument and no answer. We are not trying to deceive anyone. I am merely saying that two and a half million factories throughout the United States are competing with 50 or 60 manufacturers like the Lever Bros., or Jelke, who sell 75 percent of the world product of oleomargarine. When their attempt to usurp the market is going to interfere with these two and a half million small factories, I am not willing to go to the point of letting them deceive the public.

The pending proposal would eliminate all discriminatory taxes on oleomargarine. I am for that. I am merely saying that I am not willing by my vote to permit one group of people to continue to usurp the market under the guise of legislation that does not carry within it one scintilla of possibility of prosecution and conviction.

The Senator asked if I would be willing to amend the bill. If I were going to support such a proposal, I would certainly amend it so that it would have some teeth in it. It does not even have one rotten molar with which the law could be enforced, not one, and I defy any man supporting the bill to point to how it could be enforced, and how a conviction could be secured.

Mr. AIKEN. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I yield to the Senator from Vermont.

Mr. AIKEN. I am very much impressed with the sublime belief of the Senator from Arkansas that oleomargarine manufacturers would not attempt to have the public believe that their product was very closely related to butter, if not equally as good as or identical with butter. I wonder if the Senator from Iowa or the Senator from Arkansas, or any other Senator, can give an explanation as to why certain west-coast manufacturers sell their product in packages having on the outside a picture of something that looks like a dairy barn. Does not the Senator think it would be much more appropriate to have on the package a picture of a coconut tree, a cotton field, or even a school of menhaden or herring, or possibly a picture of a tub of lard on the outside? Would that not be more informative to the consumer? As a matter of fact, they are not required to tell the consumer what ingredients are used in the manufacture of synthetic butter.

Mr. GILLETTE. I thank the Senator, but I am afraid he has drawn a wrong conclusion. I am sure that the picture of the dairy cow which is on the package and the pictures of the dairy cow in the oleomargarine advertisement are used simply because of their artistic beauty and have no reference to deception, to make people think they are buying a substitute for butter.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I think what was stated was not a fact. I do not think any cartons carry any pictures of cows on them, and I am positive that all the cartons containing margarine carry a complete statement of their ingredients, which is not true as to butter.

Mr. GILLETTE. Mr. President, I desire to hurry on. I have not even gotten to my speech yet.

I have said there was nothing new in the discussion yesterday, but there was. My dear friend, the Senator from Arkansas, was concerned to point out to the dairy people that they were conducting their business in an uneconomic way. He produced statistics to show that the selling of milk in the form of butter, saving the cream and selling it as butter, brought less return, and that they should sell it as fluid milk in the market place. I was interested in that, and I know that the hundreds of thousands of dairymen in the Middle West will be much interested to learn that they have been conducting their affairs in such a disastrous way, and to learn that they should sell their product as fluid milk.

I would ask the Senator from Arkansas or any other Senator to supplement his statement by showing how it could be done; how, for instance, in the little town in which I live, of six or seven thousand people, with an agricultural county around it, and the limited market those families afford for fluid milk, the producers can sell their surplus milk as fluid milk.

The very thing the Senator referred to, the heavy production of milk in the spring, brings about the necessity for saving the excess production during the time of heavy production, and the adoption of the means these 2,500,000 farmers use of making it into butter, in the main, though not entirely, because some of it goes into cheese.

Again that brings us back to the main purpose of the bill.

Mr. FULBRIGHT. Mr. President, did the Senator ask me a question about a suggestion as to what they might do?

Mr. GILLETTE. The Senator made such a suggestion yesterday; but I would welcome a statement from him.

Mr. FULBRIGHT. If they would spend on ascertaining how to can fluid milk half the money they spend on attempting to maintain the present legislation, I have no doubt they would find a way by which they could keep their fluid milk and sell it when there was a demand later.

Mr. GILLETTE. Mr. President, I am sure that if the Senator had turned that thought over in his mind a couple of times he would not have given expression to it. A man who would stand on the floor of the Senate and call attention to the money that is being spent by the butter producers, in view of the record of the oleomargarine people, the representatives of Lever and the 50 or 60 men referred to, I do not believe would have referred to it if he had given it mature consideration. That is not what we

would expect from the Senator from Arkansas, because he is keen and clear, but often mistaken, as he is now.

I was about to call attention to the restrictions on the sale of oleomargarine. The Senator yesterday pointed with pride to the tremendous growth in the sale of oleomargarine, so that it was the second outlet for cotton. Yet he said it was being restricted.

I wish to call the attention of the Senators from the New England States to the fact that the report of the Bureau of the Census as given to our subcommittee, of which the Senator from Vermont is an honored member, showed that in the city of Manchester butter prices between 1934 and 1948 dropped 40 percent, while the sale of oleomargarine increased 8,150 percent.

Who is objecting to the sale of oleomargarine at a lower price? I know that much of the support for this type of legislation comes from people who say, "We are being prevented by discriminatory taxes from buying an article at a cheaper figure, and our purchasing power is limited. Why can we not buy oleomargarine if we want it?" They have been deluded by the same sort of campaign to which the Senator has referred, heavily financed by oleomargarine interests who want to take over the whole market. No one is preventing people buying oleomargarine if they want it. Nothing would prevent people of the State of Mississippi doing so, under the substitute we propose. I started to comment on that a moment ago, and I wish to refer to it at this time. Listen, you States' rights men, to this language contained in the amendment in the nature of a substitute:

Provided, however, That yellow oleomargarine manufactured or colored within the borders of a State or Territory in which it is to be consumed shall not be subject to the provisions of this act—

Which declares such manufacturing or coloring to be unlawful—

but shall be subject to the laws and regulations of such State or Territory.

That is the language of the substitute. It does not apply the proposed law to oleomargarine manufactured and sold within the borders of a State. But the language of the bill provides that colored oleomargarine or colored margarine which is sold within the State or Territory in which it is produced, shall be subject to Federal law in the same manner and to the same extent as though it came into the State in interstate commerce, regardless of the laws and regulations of the local State.

There is the difference between the two provisions. Enjoy yourselves, you States' rights men, but I say to you that what you now propose to do will later slap you in the face.

Mr. President, I shall never be a party to the bringing into the States a group of Federal employees in an effort to prevent the people of my State, or of other States, from enjoying something which is perfectly legal and perfectly proper to be sold within my State. I shall never be a party to penalizing my people for doing such a thing.

Mr. President, I have in my hand a sheet in which reference is made, in parallel columns, to the main provisions of the pending Poage bill and the amendment in the nature of a substitute. I ask unanimous consent to have it printed

in the RECORD at this point in my remarks, for the information of Senators.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

The Gillette-Wiley substitute amendment versus H. R. 2023

Subject	Gillette-Wiley	H. R. 2023
Federal taxes and license fees.....	Removes.....	Removes.
Reporting requirements for manufacturers and wholesalers.....	Would repeal.....	Would not repeal.
Movement of yellow oleo in interstate commerce.....	Flat prohibition.....	No prohibition.
States rights.....	States rights protected. Leaves regulation of store sale and eating places solely to the States. Each State is free to ban or not, as its desires and interests dictate.	Interferes with States rights by providing for Federal inspection and regulation of eating places in every city and town of the Nation.
Enforceability.....	Proven constitutional control of interstate shipments could be easily policed. Under Gillette-Wiley provisions, States could settle their own enforcement problems.	Requires expensive inspection and policing of many thousands of eating places (return to Volstead liquor law conditions inevitable).
Food and Drug Act applicability.....	No change.....	Puts jurisdiction of restaurant policing under Food and Drug Administration.
Cost of enforcement.....	Little or no additional cost.....	Estimated cost of effective Federal enforcement ranges to \$60,000,000 a year or more.
Prevention of fraud.....	States are free to protect their consumers from fraud.	Federal Government usurps right of States to regulate sale of oleo without itself having complete power to prevent fraud.

Mr. GILLETTE. Mr. President, I wish to place in the RECORD some figures which appear in a statement I have prepared, and which I do not believe I have covered fully in my extemporaneous remarks.

The effect of oleomargarine on butter sales has been severe. In 1938 our national per capita consumption of butter was 16.4 pounds and of oleo only 2.9 pounds. Five years later, in 1943, only 11.7 pounds of butter per capita were being consumed, as against 3.9 pounds of oleo. In 1948 butter consumption had dropped to 10.2 pounds and per capita consumption of oleo had risen to 6.1 pounds.

More than 2,500,000 dairy-farm families are affected by lost butter outlets for surplus milk. More than 3,500 local creameries and 40,000 other dairy plants suffer when milk prices are disturbed, and so do their 150,000 employees. The results are felt by local merchants, businessmen, and bankers in every town, village, and hamlet in the United States.

By contrast, five giant corporations sell 68.4 percent of all the oleomargarine produced in the United States. A few months ago their total share of the business was only 61 percent, proving that these five big corporations are growing even larger. Four new oleo plants were opened between January and March 1949.

The purchase of the John Jelke Co. by Unilever, Ltd., of London, England, foreshadows still vaster concentration of oleo sales in the hands of an international cartel. Unilever manufactures 75 percent of all the oleomargarine eaten in Europe, outside of Russia, and about 40 percent of the world's entire consumption. Spokesmen of the company freely state that they plan to make the Jelke Co. the world's biggest oleo producer and to expand its operations to all 48 States.

Obviously, restrictions on the manufacture and sale of yellow oleomargarine

have not handicapped free enterprise or restrained the growth of giant corporations.

Mr. President, in that connection it is interesting to note that Unilever—the Lever Bros. Co.—which has taken over the Jelke Co. and handles 75 percent of the sales in Europe and 68 percent of the sales in the United States, is the same concern which went into a United States court and asked for protection against imitation of their product, Lifebuoy soap, through coloring and shaping. The people who invoked the protection of the court of their soap product, because it was being imitated by others in color and shape, are now endeavoring to take over the market for butter.

Mr. President, again I call attention to a matter to which I adverted a short while ago, that in the State of Arkansas a survey made by Benson & Benson of New Jersey of 100 eating places showed that 68 of the 100 were violating the State law against sales of oleomargarine. The proponents of the pending bill, realizing that they are leaving a door open for fraud, have attempted to do what? Have they attempted to close the door? No, but they have attempted to shove the door a little way toward closing, and are leaving a crack through which the law can be violated, and at the same time they are jeopardizing the main outlet for a huge portion of our dairy products.

Mr. President, I am, of course, interested in expanding the market for soybeans, for cottonseed oil, for peanut oil. I happen to be a member of the subcommittee of the Senate Committee on Agriculture and Forestry which has spent weeks and weeks, and will spend further weeks and weeks in an endeavor to broaden the market for these farm products. But I will not be a party to an attempt to take from a portion of our people the market for their product, butter, nor will I be a party in aiding the Federal

Government to infringe on the prerogatives of our local administrative agencies.

Mr. President, I urge all Senators to consider the merits of the two measures now pending before the Senate. There is no question as to the palatability, the cheapness, the wholesomeness, the nutrition of oleomargarine. There is no question that it is a product which has a right to come into the market and be sold on its merits. There is no question that the discriminatory taxes on oleomargarine ought to be repealed. We ask for their repeal. That, however, is not the main question. The main question is the protection or destruction of the outlet for small butter-manufacturing plants. The proponents of the pending bill advocate retention of means by which they can still further destroy the outlet for the small butter-manufacturing plants. I shall vote and work for the expansion of large manufacturing plants, but I shall vote even harder for the preservation and maintenance of market for our small local manufacturing and marketing plants.

CALL OF THE ROLL

Mr. KNOWLAND obtained the floor.

Mr. GURNEY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. KNOWLAND. I yield for that purpose.

Mr. GURNEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Malone
Anderson	Hill	Maybank
Benton	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Humphrey	Murray
Butler	Hunt	Myers
Byrd	Ives	Neely
Chapman	Jenner	O'Connor
Connally	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Darby	Kefauver	Robertson
Donnell	Kem	Russell
Douglas	Kerr	Saltonstall
Downey	Kilgore	Schoeppel
Dworshak	Knowland	Smith, N. J.
Eastland	Langer	Sparkman
Eaton	Leahy	Stennis
Ellender	Lehman	Taft
Ferguson	Lodge	Taylor
Frear	Long	Thomas, Utah
Fulbright	Lucas	Thye
George	McCarran	Tobey
Gillette	McCarthy	Vandenberg
Graham	McClellan	Watkins
Green	McFarland	Wherry
Gurney	McKellar	Wiley
Hayden	McMahon	Williams
Hendrickson	Magnuson	Young

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). A quorum is present.

AMERICAN POLICY IN THE FAR EAST

Mr. KNOWLAND. Mr. President and Members of the Senate, within the last 90 days two catastrophic events have taken place. These are the Soviet success in atomic development, as announced by the President of the United States on September 23, 1949, and the establishment of a Soviet-recognized Communist regime in China. Only in retrospect will we be able to finally determine which event will have the most

THE LIBRARY OF CONGRESS,
Washington, D. C., January 4, 1950.
Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: With further reference to your letter of September 16, 1949, requesting five items of information relating to Federal judges and our reply of September 21, 1949, we wish to state that we are still awaiting a report from the Department of Justice.

By letter of October 3, 1949, we were advised by the Office of the Assistant to the Attorney General that statistics were in the process of being compiled and that we would be furnished the requested information as soon as possible. In view of the lapse of time, do you wish us to send an additional request to the Department of Justice requesting that the compilation be expedited if possible?

Sincerely yours,

ERNEST S. GRIFFITH,
Director, Legislative Reference Service.

THE COAL SHORTAGE

Mr. JENNER. Mr. President, were it not for the urgency of the situation, I would be loathe to consume the time of the Senate to make these remarks. But, Mr. President, the people of my State, and perhaps those in other States, are in a desperate plight. They are urgently in need of coal.

From every section of Indiana, from public officials, from coal dealers, from hospitals, and from public institutions have come urgent pleas that I give them assistance in obtaining coal.

Mr. President, while this condition needs immediate and decisive action, yet to me the situation is so needless. One directive from the office of the President of the United States or one action on the part of the National Labor Relations Board could bring immediate termination of this desperate lack of coal, which daily is further endangering the health and the lives of the people of my State.

I wish to read just a few of the telegrams which have come to me. From one of the largest coal dealers in Indianapolis:

Entirely out of coal with customers in dire need. Please give coal situation priority over less important matters.

From the mayor of Indianapolis, Mayor Al Feeney, comes the following:

Coal situation this city critical. Prompt action necessary if acute suffering is to be avoided. Respectfully urge you to exert every effort to see that coal problem is given priority as emergency and all less important matters shelved until definite action is forthcoming to relieve coal shortage.

A retail coal dealer who provides St. Catherine's Hospital in East Chicago, Ind., informed me in a telegram Wednesday that that institution that day had a 5-day supply of coal on hand, with no prospect of obtaining more.

The president of the Illinois Central Railroad has telegraphed me repeatedly about the dangerous conditions facing numerous cities along the route of his railroad because of the lack of coal.

Mr. President, this condition is entirely unnecessary. The Eightieth Congress in 1947 placed at the disposal of the President of the United States of America a means of avoiding just such a situation

as the one which confronts the Nation today.

I am not debating the merits or demerits of the controversy existing between the United Mine Workers of America and the mine operators. That is a matter which can be and should be settled across the bargaining table. But, to paraphrase an old saying, "Somebody seems to be fiddling while the people of this Nation are freezing to death."

I do not know what action the Congress of the United States can take, other than that provided for by the Taft-Hartley Act. I am not concerned about the constitutionality of that act; but the fact remains that the law is on the statute books, and it is the duty of the President of the United States to administer the laws of the United States until such time as they are declared unconstitutional by the courts.

I am informed that the general counsel for the National Labor Relations Board is conducting an investigation to determine the advisability of invoking the injunction provision of the Taft-Hartley law in order to alleviate this critical condition. Why should such an investigation be necessary? We face the fact that people of this Nation are cold, and they are cold because they have no coal. They have no coal because one man in this great country has sent out word that the miners shall not produce the coal which is so vitally needed, not only for the health of the people of our country but to keep the wheels of industry running.

Frankly, I do not know the answer; but I think it is time the Congress of the United States does something to correct the situation.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute, which has been submitted by the Senator from Wisconsin [Mr. WILEY], in behalf of himself and other Senators.

Mr. AIKEN. Mr. President, I wish to address myself to the question pending before the Senate.

The PRESIDENT pro tempore. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, in considering the pending proposed legislation, we should attempt to determine who, if anyone, will be benefited if the bill before us is enacted; who, if anyone, will be injured; and whether the benefits to be derived from its passage will outweigh any injuries incurred.

The interested parties in the case before us are, first, the producers of raw materials for the manufacture of both oleomargarine and dairy products; second, the manufacturers; third, the consumers of oleomargarine and dairy products. And then we must consider the effect of such legislation on our national economy and our national welfare. For the purpose of this discussion, I shall

leave the manufacturers and processors pretty much out of the picture.

It goes without saying that the real backers of this bill, the oleo interests, seek to capture that part of the consumer's market which has heretofore been enjoyed by the butter producers. On one side we have a compact group of a half dozen oleo manufacturers enjoying a near monopoly, and closely associated by a common purpose. On the other hand, we have several hundred thousand manufacturers of dairy and creamery butter, very loosely organized in an endeavor to retain a market for their products, of which they have already lost a considerable part.

Let me say at the outset that my State depends upon the production of dairy products for approximately 78 percent of its entire agricultural income. If I do what I can to protect the largest single industry of my State from a totally unfair attempt to injure it, I shall be responding to a perfectly natural human instinct.

In considering this legislation, several facts stand out as being axiomatic.

First, oleo as manufactured these days is not harmful to human beings.

It doubtless has some food value, although a comparison of the food values of oleo and butter is still a matter of dispute.

Oleo can be sold much cheaper than butter, and its sale should not be prohibited by law.

Many farmers, including dairy farmers in the fluid milk area, use oleo on their own tables, largely because of its lower cost.

Last of all, in holding back huge supplies of cream during the early spring and summer months of 1948, thereby forcing the price of butter to nearly \$1 a pound, the dairy interests themselves provided the oleo manufacturers with the most potent argument they have had in the campaign to secure the passage of the bill before us. It does not matter that the dairy interests took a severe loss on the cream which was withheld. The fact is that the consumer was aroused sufficiently to support questionable proposed legislation, not because the consumer preferred oleo on the table, but because it appeared to be the only means of bringing the price of butter within reach of even the middle-income groups.

Now that the price of butter has dropped to a reasonable level, the pressure for the passage of this legislation has largely abated, so far as consumers are concerned. As a matter of fact, I have had only one communication, this year, favoring the enactment of the pending measure, and that came from an oleomargarine dealer.

I fear that the consumer has been badly misled by the proponents of oleo. A great many consumers believe that oleo could be purchased much cheaper if the Federal tax were removed and if it were given a free and unbridled market. This belief is, of course, contrary to the facts.

Except in a few States which have a high or prohibitive tax on the sale of oleo, the consumer has been paying one-

fourth of a cent a pound tax. There is also a tax of 10 cents a pound on colored oleo, but this does not apply to that which is colored by the housewife herself. Altogether, the taxes on oleo paid to the Federal Government amount to approximately \$16,000,000 a year. Probably the tax on transportation alone amounts to more on a pound of oleo than the tax on the oleo itself.

There is no assurance that if the 10 cents a pound tax on colored oleo is removed, the consumer will benefit thereby. In fact, just the opposite is indicated.

I hold in my hand a copy of an advertisement appearing in the El Paso Times, in which a local provision store offers uncolored oleo at 25 cents a pound and colored oleo at 55 cents a pound or 30 cents a pound above the price of the uncolored product, even though the Federal tax amounts to only 10 cents.

This is an indication of what Mrs. Consumer may expect in the event that oleomargarine is permitted to be sold unrestricted, uncontrolled, and in the exact color and appearance of butter. She may expect that the price of colored oleomargarine will be held just as near the price of butter as competitive conditions will allow. In view of the fact that the oleomargarine market is dominated by only a half dozen concerns, that competitive situation is not likely to become acute.

In other words, while the untrammelled traffic in oleo or synthetic butter may and probably will result in a sharp decline in the sales of butter, it will also probably result in an increase in the price of the oleo.

It is also entirely possible that pure butter will be driven from a large part of the market just as it has been in certain sections of the country today and been supplanted by blends of various fats and oils.

It is entirely possible that dairy interests themselves may engage in the manufacture of blended table fats in an effort to retain part of the market which they now have.

We may discount completely any arguments that the pending bill is proposed in behalf of the consumer.

If the Congress sincerely desires to lower consumer costs, it would do far better to remove the tax on transportation of food commodities which today amounts to many, many times the tax on oleomargarine.

However, it is not the removal of the tax on oleomargarine which concerns us here.

The dairy interests have readily agreed to the removal of all taxes and I, myself, believe that excise taxes affecting food commodities should be removed at the earliest possible moment, including the tax on oleomargarine itself.

What concerns me is that the oleo manufacturing interests are determined to secure the enactment of such legislation as will enable them to palm off their product for genuine butter on an unsuspecting public.

It is true that any law Congress may enact will require the package containing oleo to plainly show it, but it is also

true that as soon as that product is removed from the package a great majority of the consuming public will never know whether they were being served oleo or butter.

Already the manufacturers are putting up the oleo product to look exactly like the dairy product in each area of the country in which it is sold.

If butter is put up in thin packages, then oleo is sold in thin packages.

If the market demands deep yellow butter, oleo is colored deep yellow.

If the market demands uncolored butter, as much of the country does today, then the oleo is colored to look exactly like uncolored butter.

The law permits oleomargarine to be flavored to taste like butter, to be artificially fortified by vitamins and finally to be preserved or embalmed as some might say with benzoate of soda or other preservative.

Furthermore, the oleo manufacturer of today is not required to put upon the package a statement of the ingredients contained in the product.

Certainly, the consumer is entitled to know what is in the oleo upon her table.

It may be made of pure cottonseed oil. It may be made from soybean oil. It may be made from coconut oil. It may be made from fish oil, or it may be made from lard, for the oleo law permits the use of almost any kind of fat in its manufacture.

Certainly, no legislation should be passed permitting the promiscuous and unrestricted sale of synthetic or imitation butter without a requirement for naming the ingredients used in its manufacture.

Furthermore, if this bill were promoted in the interest of the consumer, we should first remove the almost absolute protection which the oleo manufacturer has against any imported product. This amounts to a tariff of 7 cents a pound and a special import tax of 15 cents a pound. Thus, the oleo manufacturing monopoly is protected to the extent of 22 cents a pound as compared with a tariff protection of 7 cents a pound given the butter producer.

Moreover, if a low-cost product for the consumer's table is the objective of this bill, its promoters should advocate the removal of the tax on coconut oil. Coconut oil is probably the cheapest material from which good oleo can be made.

It is today selling for 14 cents a pound as compared with 11 cents for cottonseed oil, but the coconut industry has not recovered from the ravages of the war, and, furthermore, coconut oil, except that from the Philippines which takes a lower rate, is subject to a 6 cents a pound levy before it can be used in the manufacture of oleomargarine.

If the professed champions of the consumer really had her interest at heart, they would be seeking now to remove the coconut oil tax of 6 cents a pound.

Four pounds of coconut oil will make 5 pounds of oleomargarine.

In other words, with the tax removed, the ingredients for the manufacture of a pound of oleomargarine from coconut oil today would cost in the neighborhood of 8 cents. As the coconut industry recov-

ers from the effects of the war, this cost will be considerably lower. I am almost certain that if the oleo manufacturing interests gain the advantages which they seek through the pending legislation, their next step will be to seek the removal of import taxes on raw materials, so that still cheaper oils can be used.

I am not advocating the removal of the coconut oil tax. I am simply pointing out that if the promoters of this bill were operating in the behalf of the consumer, that they could find better ways of promoting her interest than they are now using.

The purpose of the exceptionally high tax on coconut oil imports is primarily to protect the producers of cottonseed oil.

There is nothing wrong in undertaking to protect the interests of our agricultural producers, but let us not masquerade under the guise of promoting consumer interest in this case.

I desire now to consider briefly the effect of the proposed legislation on the American dairy farmer.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. I am not quite clear concerning the Senator's statement. It is a fact, is it not, that margarine today sells in retail stores at approximately one-half the price of butter?

Mr. AIKEN. The Senator is entirely correct. It is selling for 35 cents. While I do not know what the retail price of butter is, I assume it is in the neighborhood of from 68 to 70 cents, with the Government floor of 60 cents.

Mr. FULBRIGHT. So there is some advantage, at least moneywise, to the consumer in the purchase of oleomargarine, is there not?

Mr. AIKEN. I do not deny for an instant that there are families who do not have money with which to buy butter, who ought to be able to purchase oleomargarine. What I am protesting against is the sale of oleomargarine in such form that most of the consumers will think they are actually getting butter.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Wisconsin?

Mr. AIKEN. I yield.

Mr. WILEY. I think the facts are not exactly as the Senator has agreed. As I recall, the evidence showed that recently in California, depending upon where the oleo interests could impact the market, they sold oleomargarine at prices ranging from 15 to 55 cents a pound.

Mr. AIKEN. Cottonseed oil is selling for 11 cents a pound today. I understand that 4 pounds of oil will make 5 pounds of oleomargarine. That would make the cost of the raw materials entering into the manufacture of oleo between 9 and 10 cents a pound; so it probably could be sold for less.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WILEY. It has been sold for less. In fact in California it has been sold for as low as 15 cents a pound, giving an extra coupon for another pound. The purpose of that, of course, is to take over the market. At one place when a pound of oleo was sold what they called a fountain pen was given as a bonus. That represents recent tactics in California.

Mr. AIKEN. I have heard that one company in California sold a pound of oleo and a \$1 fountain pen for 30 cents, and that in the pound of oleo the customer found a coupon entitling him to another pound of oleo. Whether it included another fountain pen, I was not informed. The competitive situation is very acute in California and it was to the California trade to which I referred yesterday when I mentioned the report that certain manufacturing concerns were actually placing on the oleo boxes pictures of dairy barns. I can readily understand that, because I know of many cases in which imitation maple sirup is sold in containers bearing the picture of a sugar house or a maple grove.

Mr. TOBEY rose.

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from New Hampshire?

Mr. AIKEN. I yield.

Mr. TOBEY. The Senator just said that 4 pounds of coconut oil will make 5 pounds of oleo; did he not?

Mr. AIKEN. That is correct.

Mr. TOBEY. What other items besides coconut oil are used in its manufacture?

Mr. AIKEN. Oleomargarine is required to contain 80 percent of fat. The other items would be skimmed-milk powder, water, salt, and flavoring. Butter is permitted to contain a certain percentage of water and salt, but not flavoring. I think water and salt only are permitted to be used in butter. Of course, the water could not well be taken out of it, for there would be left nothing but a brick, which people would not like.

Mr. WILEY. Skimmed milk is used; is it not?

Mr. AIKEN. Some skimmed milk is used in the manufacture of oleo. The manufacturers, however, are not required to indicate on the package that skimmed-milk powder is used in its manufacture.

I was saying I should like to consider the effect of this legislation on the American dairy farmer.

Including meat products, the dairy herd accounts for about 22 percent of the agricultural income of the United States. It is far and away the most important branch of agriculture. For the year 1948 the dollar value of the dairy industry of the United States was almost exactly the same as that of the automobile industry, which was in the neighborhood of \$7,000,000,000. It is far and away the most important market for industrial manufactured goods. It has been repeatedly said on the floor that 20 percent of the persons who live on the farms of the United States purchase approximately 40 percent of the industrial output of the Nation. The dairy farmer, of

course, purchases far more in proportion to his numbers than do other types of farmers.

Twenty-six and one-tenth percent of the milk produced on dairy farms goes into the manufacture of butter. Perhaps I should more properly say that the cream from that amount of milk goes into the manufacture of butter. In some sections of the country most of the milk is produced for the purpose of providing cream for the manufacture of butter and skim milk for the production of veal, pork, poultry, and other animal products.

Approximately two and a half million American farmers are milk producers. That is nearly a million more than the number of farmers engaged in any other agricultural production.

Dairying is the most stable field of employment for farm labor. It provides an enormous business for transportation companies, and is, as I have indicated, the greatest consumer market for industrial products, including manure spreaders, tractors, fertilizers, and other industrial products. Dairy farmers also purchase and consume a large percentage of the grain production of the Nation. Whatever affects the dairy industry of the United States affects the entire domestic economy.

Dairying is a soil-building branch of agriculture, not a soil-depleting crop, such as soybeans or cotton.

The most prosperous agricultural areas of America are those areas where dairying is generally practiced. I refer to those areas or regions as a whole, and not solely to the dairy farmer, for the local merchant, the doctor, the school teacher, the garage man, and the local laboring people are all interdependent, and their fortunes rise or fall with the fortunes of the dairying communities in which they are located.

In many areas the primary purpose of dairying is not the production of cream for butter, but the production of fluid milk for the consumer market.

In most parts of the country, health regulations promulgated by city officials require extraordinary expenditures on the part of the farmer in order to produce milk of the highest quality and under sanitary conditions. For instance, in the New England and New York milk shed, which includes my State, stables must have window space equal to 10 percent of the total wall space in the stable.

Milk must be cooled before 9 o'clock in the morning, which necessitates the installation of expensive electric refrigeration machinery on the farm.

Separate milk houses must be constructed at a specified distance from the stable.

All cows must be tested for diseases, so that no disease can be transmitted to the consumer through milk.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. What percentage of the income from dairying in the Senator's State comes from the production of butter?

Mr. AIKEN. Very little of it. Vermont is not a butter-manufacturing State. We are affected seriously by the price of butter in other States, however.

Mr. FULBRIGHT. What the Senator is really talking about is the conditions required to be observed in the production of fluid milk.

Mr. AIKEN. I shall come to that subject very shortly.

Mr. FULBRIGHT. Is it not true that the percentage of the dairy income from butter is less than 1 percent of the total dairy income?

Mr. AIKEN. I think the Senator is probably correct. I do know that when the price of butter in the Midwest goes to pieces, the producers there dump their cream on the New England market to break our price for fluid milk.

Mr. FULBRIGHT. I noticed this morning that the Senator from Iowa was objecting to restrictions against the transportation of milk here. Perhaps the answer to the question is to restrict any interstate shipment of milk, in order to protect the market.

Mr. AIKEN. Those restrictions are not imposed by law, but are imposed by regulations of the city boards of health, such as New York, Boston, Philadelphia, and, I assume, Washington, and most of the other principal markets in the fluid-milk-producing area.

Mr. FULBRIGHT. The Senator would not think, I suppose, that it would be a good thing for our economy as a whole to restrict the shipment of fluid milk; in other words, to prohibit its interstate shipment.

Mr. AIKEN. That would be impracticable.

Mr. FULBRIGHT. And undesirable.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TOBEY. Is it not true that the Senator from Vermont, in presenting this subject this morning, is not motivated by the fact that he is a Senator from Vermont, but that he has a deep interest in the dairying industry of the country, and is speaking for the entire industry?

Mr. AIKEN. I stated at the start that I represent, with due respect to the Senator from Wisconsin, the most intensive dairy State in the Union, a State which depends upon dairy products for approximately 78 percent of its agricultural income. I may be prejudiced. Let us admit that. We are all prejudiced. Let us agree to that, also, so that it will not sound one-sided.

Mr. TOBEY. It was Edmund Burke who stated that a Senator was primarily a Senator of the United States rather than a Senator from the particular State which elects him. Does the Senator from Vermont concur in that statement?

Mr. AIKEN. I concur in that statement of Edmund Burke, but I also maintain that there never was a Member of the Senate who forgot where his home was.

Mr. TOBEY. If he stayed here more than one term.

Mr. AIKEN. If he did forget, he ceased to be a Senator.

Mr. TOBEY. I agree with the Senator.

Mr. AIKEN. I have here a copy of the regulations of the Boston board of health, consisting of approximately 12 pages, which regulations must be observed in the production of fluid milk for the Boston market. In addition to the regulations which I have already mentioned, there are others. All utensils used in a dairy barn must be clean and must be sterilized, or the milk cannot be sold. The manure must be moved a specified distance. The persons who work in the dairy must always wear clean clothing and be free from contagious diseases themselves. If one has tuberculosis he cannot even be employed in the handling of milk from the producer to the consumer.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. THYE. I should like to ask the Senator if he knows whether the same restrictive measures are imposed upon those persons who produce the oils, vegetable fats, or any of the animal fats going into the production of oleomargarine?

Mr. AIKEN. Not that I know of. I suppose the manufacturers themselves have to comply with sanitary regulations, but so far as the producers of the raw materials are concerned, I do not know of any such regulations.

Mr. THYE. The restrictions about which the Senator has spoken are very much like the regulations covering the production of milk for the Twin Cities. The producers of fats and oils which go into the manufacture of oleomargarine up until the time they are concentrated and processed have no such restrictive measures imposed upon them comparable to those which are imposed in connection with the production of dairy products. Is that correct?

Mr. AIKEN. I do not know of any.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. I do not think there is any question about the regulations with regard to fluid milk, and it seems to me the discussion is wholly irrelevant to butter, because the Senator knows very well that in those States which are primarily producers of butter, of which the Senator's State is not one, there are no regulations controlling the production of milk for butterfat. There are no regulations whatever in regard to the conditions under which the cream, which goes into the butter, is produced. The Senator has admitted that less than 1 percent of the milk produced under such fine conditions goes into butter.

Mr. AIKEN. There is more than that today, because each year a greater part of the country is coming under the regulations of the city boards of health. In other words, they are reaching out in different directions to get fluid milk, and in the area represented by the able Senator from Minnesota, the able Senator from Wisconsin, and in other great producing States, I think it will be found that the dairy farmers must produce cream for butter under the same condi-

tions, because they produce for the manufacture of butter and also for the fluid milk market. There are some areas, I believe, in which they produce cream to be manufactured into butter, but I know that they do not come under such strict regulations as they would if they were producing for both the fluid milk market and the butter market.

Mr. FULBRIGHT. If the Senator will yield, that is exactly correct, wherever they can sell it in the fluid milk market, and they do more and more, as I think I have pointed out, because that is where the profit is. There is no one attacking the dairy industry. Its real progress is through the sale of fluid milk, not butter. That is the whole point I made day before yesterday. I think the Senator is correct in his statement.

Mr. AIKEN. Two years ago the Senator's statement might have been accurate, but today the dairy farmers are producing less and less for the fluid-milk market, and produce a larger percentage of milk which has to be used in byproducts. I shall point that out very soon.

I have mentioned the regulations merely to show the expensive costs in equipping a dairy farm for the production of dairy products. I wish to point out what this means to the manufacturing interests of the country, the transportation interests, the truck manufacturers, and so on.

After having gone to an expense of several thousand dollars to qualify a dairy farm for the production of fluid milk for the city market, the producer must then try to gauge his production as nearly as possible to meet the consumer demand.

No one so far has devised any means of keeping cows, even those which freshen in the fall, from giving more milk during the spring months than they do during November and December.

Therefore, if the city consumer is to be assured an adequate supply of milk through the fall and winter months, it is necessary for the farmer to keep enough cows so that a considerable surplus is produced during spring and early summer. In fact, a surplus is being produced right now in the Boston milk area. Only about 60 percent of the production is being consumed in the form of fluid milk. There has been an exceptionally favorable season, as there was a year ago, for the production of milk, with late fall pasturing, good grain, and warm weather. So, ordinarily, the farmer must keep more cows than he needs during the spring and summer in order to supply the consumer with what milk she needs during the fall months.

The consumer will not buy this surplus, because she does not need and does not see why she should buy twice as much milk during May as she does in November. Therefore, other markets have to be found for the surplus produced during the flush season.

This surplus is used in manufacturing powdered milk, cheese, ice cream, and chocolate, but the most important market for it is in the manufacture of butter.

As the Senator from New Hampshire has said, that is not true of New Eng-

land, where the surplus is used in the manufacture of powdered milk and other products.

Mr. THYE. Mr. President—

The PRESIDING OFFICER (Mr. LEAHY in the chair). Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. AIKEN. I yield.

Mr. THYE. Referring to the percentage that goes into fluid milk, as well as manufactured products, in the area of the Twin Cities, Minneapolis and St. Paul, in Minnesota—and they are fairly good-sized cities—we need only about 25 or 30 miles of an area about the two cities to supply all the fluid milk that is consumed in those cities. The balance of the producers in the State are dependent entirely upon the creameries to process the butterfat into butter and sell it in that manner, and then to process the skim milk into skim milk powder and sell the powder. That is their only outlet. That is true of Minnesota, and the same is true of Wisconsin to some extent, and wherever there is only one outlet, namely, through the manufacture of butterfat into powder. If the butter market is destroyed, it will result in stopping the dairy operations on all those farms, and they are going to have to turn to some other type of crop.

While I do not wish to impose upon the time of the Senator from Vermont, I would say to the very able Senator from Arkansas [Mr. FULBRIGHT] that he knows of the splendid growth of dairy farms in his own State and in the deep South, because they have recognized that the dairy industry is the best type of soil conserving in which any farmer can engage, and I am quite surprised that some of his good diversified farm operators in his State have not taken him to task for sponsoring the legislation he is sponsoring.

Mr. AIKEN. No doubt they have.

Mr. FULBRIGHT. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator's description of conditions in Wisconsin is simply not accurate. Statistics from the Bureau of Agricultural Economics were introduced a few days ago. The Senator from Wisconsin is present and does not deny that less than 2 percent of the milk referred to goes into butter. The reason why Wisconsin is so prosperous in the dairy business is not because the producers sell the milk in the form of butter, but sell it in the form of cheese and fluid milk. That is all brought out in the testimony. They ship it to New York and as far south as Houston in tank cars.

The Senator certainly does not want any interstate restriction on the shipment of cheese or fluid milk. The fact is that those engaged in the dairy industry, as distinguished from the butter industry, want to promote the sale of it in the most profitable way, that is, fluid milk, cheese, dried milk, ice cream. The least profitable way in which a farmer can sell his milk is in the form of butter. In only a few States, such as Minnesota and Iowa—they are the outstanding two

States—has there been an apparent refusal to see the benefits which arise from the sale of milk in forms other than as butter. Practically every other State has sought to emphasize the sale of fluid milk, and I am for that. In my State the most profitable way to sell milk is to such industries at Pet Milk, Carnation Milk, Avoset Cream, in the form of cheese, in the form of ice cream, and in the form of dried milk. We have Carnation factories and Pet Milk factories. That is the way to have a profitable dairying industry. In Minnesota and Iowa, apparently, they have not been able to market their milk in the forms which are most profitable to the farmers.

Mr. AIKEN. Mr. President, if we listen to the Senator from Arkansas long enough we will come to the conclusion that there is not any butter in the United States, because nobody makes from the milk he produces more than 1 or 2 percent of butter.

Mr. FULBRIGHT. There is too much butter at the present high price. The Government has had to buy a hundred million dollars' worth.

Mr. AIKEN. The Department of Agriculture advises me that 26.1 percent—I do not know how they figure the one-tenth of a percent—of all the milk produced in the United States goes into the manufacture of butter, or at least that the cream from the milk does.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. I should like to make reply to the reference made by the able Senator from Arkansas to the small percentage of butterfat that is made into butter in the State of Wisconsin. Wisconsin is a very short distance from the Twin Cities in Minnesota, and the Wisconsin producers have qualified themselves to produce grade-A milk, and they are constantly begging the Twin City Milk Producers' Association to allow them to become either a part of the Twin City Milk Producers' Association as a group, or that they might supply milk.

Oftentimes in the short production season of the year the Twin City Milk Producers' Association, which does supply the milk for the Twin Cities, do buy from Wisconsin producers, because fluid milk sales are by far the most profitable. But with reference to Wisconsin's having made so much money in the sale of cheese, there was a time when cheese was a drug on the market in the entire United States. Up until the war demands, cheese was not profitable. When one went into many communities he found the cheese factories with their doors shut and their windows boarded up, and the vats had already deteriorated or been taken out and used for water tanks, or some other use. Those cheese factories were no longer producing cheese. That was true in Minnesota and Wisconsin. Everyone was clamoring for the fluid milk market. Wisconsin was in a more favorable position than some of the other States, because the great metropolitan center of Chicago is bounded by water on one side, and there-

fore Wisconsin could sell a great deal of its milk to the Chicago milk market.

So the fact of the matter is that butter is the end sale of such a large portion of our milk in the United States that if we destroy the butter market, we do tremendous damage. I call attention to the wisdom of our forefathers some half a century ago, when they imposed the tax, which has withstood the arguments that have been made in the Senate Chamber since 1902; and there have been some able men arguing for the oleomargarine industry since it was first produced and since the tax was imposed. But the wisdom of our forefathers was able to withstand the pressure, and if we are instrumental in removing the tax and permitting oleomargarine to go into the market unrestricted as a free competitor with the butter, we will regret the day.

I am not speaking this way because I myself am a producer of butter products, but any Senator can go into his own State—and I beg the Senator from Vermont to forgive me for taking so much of his time—

Mr. AIKEN. That is all right.

Mr. THYE. The Senator from Arkansas can go into his own splendid State, or he can go down into Tennessee, Alabama, or any of those States, and he will find that the extension people, the soil conservationists, will all point to farm units where they have successfully been able to reestablish the growth of grass, legume crops, on soils that have been so badly eroded or depleted by the growing of row crops, such as soybeans, cotton, and tobacco that the land will no longer produce as it should. Here is the educational branch of the Department of Agriculture, such as the Extension Service or the PMA, which have successfully built up depleted lands by the use of fertilizer, and secured a catch of grass, and then they proudly point to the dairy herds that consume the grass in the form of pasturage or in the form of hay, and they say, "We have rebuilt this land, we have given it a rebirth, so to speak, and look at that fine dairy herd that is out there."

Well, what are they going to do with that dairy herd if the butter market is destroyed? They cannot find a market that will take the fluid milk. There will simply be no expansion in their dairy operations if the butter market is destroyed. That is the argument, as I see it. It is not a question of food value. There is just as much nutritive value in a pound of white oleomargarine as there is in the colored.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. AIKEN. I will yield briefly. I should like to continue with my arguments.

Mr. WILEY. I shall be very brief.

Some mention has been made of Wisconsin. While we do produce twice as much milk as the next two milk-producing States, we also produce 8 percent of the butter produced in the Nation. But, as suggested by the Senator from Minnesota [Mr. THYE], practically one-third of all the milk produced in the United States goes into butter. Just think of

that, Mr. President. The figures are from 30 percent to 31 percent. There we have the nub of the whole question. If the butter market is taken over, economic and political chaos will result.

Mr. AIKEN. I think we had better have a reconciliation of figures. The Senator from Wisconsin says that from 30 to 31 percent of the milk produced goes into butter, whereas I have stated that the Department of Agriculture says that 26.1 percent of the milk produced goes into butter. I am sure the Senator from Wisconsin is using the annual figures, whereas I am using the present-time figures.

Mr. WILEY. The figures come from the Department of Agriculture.

Mr. AIKEN. I think the difference results from the fact that the Senator from Wisconsin uses the annual figures, whereas I use the current percentage figures.

Before I proceed with my argument again, I should like to say, although it is probably not important to do so, that 1.2 percent of the Vermont dairy farmers' income comes from butter manufactured within the State, but by far the greater part of Vermont cream used in manufacturing butter is processed outside the State after it is delivered to the city market, and is found to be surplus or class 2 milk.

But this bill, Mr. President, I believe, strikes a solar-plexus blow at the use of surplus cream for the manufacture of butter. Consequently, if this market is destroyed or a major part of it taken away, the farmer will then be confronted with the alternative of reducing his production so as to only meet the demand during the flush season of the year, leaving the market short of fluid milk for the fall and early winter or else dumping the surplus on whatever market he can find, depending upon Government to make up the loss through subsidization. If the first alternative is used, the consumer may look forward to definitely higher prices for milk during the months of shortage.

If the second alternative is resorted to, then certainly the consumer may look forward to increased tax bills in order to subsidize an adequate production of milk during these short months.

May I point out, too, another way in which a blow at the butter market will hit the consumer squarely in the pocket-book?

According to figures just given me by the Department of Agriculture, 42 percent dressed weight of the beef and veal produced in the United States comes from milk-producing animals.

Mr. WILEY. How much?

Mr. AIKEN. Forty-two percent is the figure given me by the Department of Agriculture day before yesterday.

Mr. THYE. That is correct.

Mr. WILEY. That varies.

Mr. AIKEN. It varies from time to time I suppose, but those figures are 2 days old.

If we eliminate a considerable part of the meat production now coming from milk-producing herds, the consumer will be faced with a dwindling supply of beef and veal as well as a dwindling supply

or much higher prices for pork and poultry products which are raised to a considerable extent on the skim milk from the dairy farms.

I wish every consumer knew these facts, but it is almost impossible to counteract the multi-million-dollar campaign of misrepresentation by the oleo interests.

I now come to the final phase of my argument against this bill as it comes from the committee.

I know the proponents say that the bill protects butter against the sale of the synthetic product.

They claim that an adequate appropriation will be made to enforce the law so that oleo cannot be sold and served as butter.

I take little stock in such claims.

I know that if oleo is permitted to be sold as an exact imitation of butter, without restriction, that any attempt to control the situation by law is doomed to failure.

At present the Food and Drug Administration has approximately \$4,000,000 a year to enforce the laws coming under its jurisdiction. Under the pending bill it is proposed to give this agency \$5,000,000 more to enforce the oleomargarine law.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. THYE. Could the Senator foresee how the Federal Government would police all the public eating places in Washington as of today noon, to determine if there were any infraction of the law which is now proposed to be passed, which would eliminate all restrictions, and which would provide that those serving oleomargarine must serve it in a certain shape? How would the authorities be able to go about policing all of the eating places in the city of Washington and in all other large cities, to determine whether a plain square pat of spread which was served was butter, or whether it was in fact oleomargarine served in place of butter?

Mr. AIKEN. It is proposed to inspect each eating place once a year. To think that such provision will amount to anything in preventing widespread fraud on the American people is absurd.

When all the agencies of law enforcement which the Government possesses fail to keep the leading hotels of Washington from serving corn sirup as pure maple sirup, what hope is there that these agencies will be any more effective in preventing the serving of oleo as butter in a million eating places of the Nation?

I know what has happened in the case of maple sirup. Exactly the same thing that will happen if the indiscriminate sale of oleo in exact imitation of butter is permitted.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. THYE. I should like to make a comment respecting the violation of certain food laws. I wonder how many persons have gone to the food laboratory of any one of the States and have seen the samples of food that had been

adulterated that have been picked up by the food inspectors? State food inspectors or Federal food inspectors often find that violations of the law have occurred, and attempts made to defraud the public in respect to the food it consumes.

Having been connected with one of the regulatory bodies in my State, and having been in charge of food inspectors for several years, and having had problems of adulteration and fraud in connection with food brought to my desk, I do know that there are many violations of the food laws, and I would say that a law requiring serving oleomargarine in a triangular-shaped pat and requiring that a sign be placed on the wall of the restaurant stating that oleomargarine is served in that manner, would have no more regulatory force or be no more of a safeguard to the consuming public against the serving to them of oleomargarine when they think they were being served butter, than a snap of my finger.

Mr. AIKEN. I think we cannot discount right now any claim that this bill affords any effective protection against the fraudulent serving of imitation butter.

Now for the most important part of my argument against the bill, as I see it, I want to speak of the effect of the proposed legislation on the national economy.

We may assume without question that oleomargarine will make heavy inroads on the butter market if this legislation is passed unamended. That is the purpose of the bill.

We may assume without question that the price of oleomargarine to the consumer will increase. That has been proved in areas where competition from butter has been lacking.

We may assume without question a reduction in the number of dairy cattle in the United States and a cessation of expansion of the dairy industry in those States where it is badly needed.

There are many groups in this country supporting legislation proposed by the oleo interests that would not do so if they had full possession of the facts. These groups are those which generally seek to promote higher living standards and higher incomes among American working people and consumers. Yet what they unwittingly propose is to furnish their tables from the labors of the lowest paid agricultural workers in the United States, if not indeed the 16-cent-a-day labor of the Pacific islands.

Assuming that oleo will be manufactured principally from cottonseed oil, which is the lowest-priced oil on the market today because of the high import tax on coconut oil, I would like to point out the effect on the income of American agricultural labor which this bill, if unamended, will have.

I was informed yesterday by the Bureau of Agricultural Economics, United States Department of Agriculture, that the average hourly farm wage rate in three important cotton-producing States is as follows: Mississippi, 40 cents an hour; Arkansas, 47 cents an hour; Georgia, 37 cents an hour.

In contrast to these very low rates, we find the great dairy State of Washington paying its agricultural labor 93 cents an hour; Iowa pays its labor 71 cents an hour, and Minnesota, 68 cents an hour.

But this hourly wage comparison is not the whole story. The worker on the dairy farm has to work every day of the year, including Sundays. Whether he wants to work or not, he has to work every day.

The worker on the cotton farm has a seasonal proposition to deal with.

Therefore, the yearly earnings of the dairy worker are still further out of proportion to those of the cottonfield worker than a comparison of the hourly earnings would indicate.

If the materials used in manufacturing oleo were produced by as highly paid labor as that employed on dairy farms, there would be little difference between the cost of oleo and the cost of butter.

Even with these low wage rates, the cotton grower of the South is in trouble. He is trying to produce and continue to produce cotton on land which has been producing cotton for 150 years.

He is continuing to grow a soil-depleting crop and doing the best he can to make up for that depletion by adding chemical fertilizer.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. Does not the Senator from Vermont think that if oleomargarine had the same kind of monopolistic protection which butter has had for 64 years, the producers of oleomargarine might be able to pay high wage rates, too? Of course, the producers of butter have been drawing money from the public by means of this method of artificial, legislative restriction of competition. So, of course, they can pay high wage rates; can they not? If this restriction upon the South is removed, the producers of oleomargarine will be able to pay just as high wage rates as those paid in Vermont.

Mr. AIKEN. I fail to see where any monopolistic protection comes in, with two and one-half million producers of milk and several hundred thousand producers of butter, as compared with the seven controlling companies engaged in the oleomargarine industry. I think the Senator from Arkansas is a little out of order in discussing monopolies in connection with the controversy between oleomargarine and butter.

Mr. FULBRIGHT. The Senator from Vermont will admit, will he not, that in all our history there has been no other commodity which has had a similar protection from a legitimate competitor?

Mr. AIKEN. I have already pointed out that the oleomargarine monopoly has the protection of a tariff of 22 cents a pound which is applied against imported oleomargarine, as against 7 cents a pound protection given the butter industry.

Mr. FULBRIGHT. I should like to point out that the oleomargarine producers did not put that into effect. The butter interests put in that restriction. The oleomargarine producers have not been able to get votes for any such protection,

since I have been in the Senate, and long before that. If such a tax was brought about by anyone, it was brought about by the butter producers; it was not brought about by the oleomargarine producers.

Mr. AIKEN. I would hardly say that butter was in a position of enjoying a monopoly. I do not have the figures before me; but the sales of oleomargarine in the United States are rapidly approaching the sales of butter. That does not indicate a monopoly in any sense of the word.

Now the Senator from Arkansas has made it fairly plain that it is the ambition of the oleomargarine interests to take over the rest of the butter market. It is my purpose to point out how disastrous that would be to the general economy of the country.

Mr. FULBRIGHT. If the Senator's argument is correct, why does he not propose legislation to prohibit the raising of row crops? Then all of us would be very well off, indeed, no doubt. If there is any logic at all in his argument, we should outlaw the production of soybeans, and especially the production of corn and cotton, because they deplete the soil.

Mr. AIKEN. The Senator from Arkansas is saying that if this bill is passed, the farm-labor wage rate in the South will be raised to a level comparable with that in the North. I wonder whether the Senator from Arkansas would be willing to join me in proposing a minimum farm wage for farm labor of, let us say, 75 cents an hour.

Mr. FULBRIGHT. No; I much prefer that these matters result from a natural economic condition, rather than to be brought about by planning done in Washington.

The Senator from Vermont said a few moments ago that the people do not know anything about this question. That remark by the Senator from Vermont leaves the impression that here in the United States only the Senate possesses wisdom. However, the fact is that since 1901, 16 States have eliminated the prohibition against yellow margarine. Within the last 2 months, Ohio, by a vote of its people, removed the restriction on yellow margarine. The people themselves have spoken. Now 32 States, a majority of the States of the Union, do not have these restrictions. So the idea that the only knowledge of this matter reposes here in the Senate seems to me to be completely contrary to the facts.

Mr. AIKEN. Mr. President, the Senator from Arkansas is making a good argument in favor of the enactment of anti-poll-tax legislation, anyway.

But I wish to point out that it is not only agricultural labor which is much cheaper in the South; it is also industrial labor. The average factory worker in Arkansas is paid 90 cents an hour, as compared with \$1.16 an hour which is paid to the average factory worker in Michigan.

Mr. FULBRIGHT. I am perfectly willing to agree to that, for the South has for so long been exploited by the Yankees that it is very difficult for us to get the

means with which to live. There is no question about that. That is what has been done by freight-rate policies and other policies. This question is just another example of the policies which have been imposed upon the South for many years. I am perfectly willing to admit that. We are struggling to have a free, equal access to the markets of this country. That is all we want.

Mr. AIKEN. No; the Senator from Arkansas is trying to take over the butter market.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DOUGLAS. I wish to say that I think the South is exploited in the matter of freight rates. But one of the very startling features of that problem is that we do not find much protest coming from the southern Representatives and Senators about the freight rates; and when Governor Arnall some years ago started a fight before the Interstate Commerce Commission to get the discriminatory freight rates reduced, nearly all the southern businessmen and southern Representatives in Congress lined up with the railroads, and not in favor of the reduction of freight rates.

When the southern Representatives in Congress really wish to join in the fight for a reduction of the freight rates, we will join them in that fight. But they will not get very far unless they themselves join in that fight.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me?

Mr. AIKEN. Yes, if the Senator from Arkansas does not go too far away from the pending question.

Mr. FULBRIGHT. I shall not.

I wish to state that long before the junior Senator from Illinois came to the Senate, this battle went on for a long time. The Governor of my State and its representatives in the House of Representatives and in the Senate did everything they could. However, after they obtained a ruling from the Interstate Commerce Commission, the Governor of the great State of New York resorted to the courts. In such matters our opponents have a way, outside of the Senate, of stalling and putting off, so as to prevent action. They do that outside of the Senate.

The same tactics have been followed in the Senate with regard to margarine. We never have been able to get a vote here on the question of removing the taxes on margarine or on removing the other discriminations which have been practiced against us, although various Senators have interested themselves in those matters, and although great efforts have been made to obtain such votes.

Mr. AIKEN. Mr. President, let me say for the benefit of the junior Senator from Illinois, who has just recently entered the Chamber, that the statement I made which precipitated this most recent discussion was that if the materials used in manufacturing oleomargarine were produced by as highly paid labor as that which is employed on the dairy farms and in the dairy industry, there would be little difference between the price of oleomargarine and the price of

butter. But even with such low wage rates, the cotton growers are in trouble. They are trying to produce and to continue to produce cotton on land which has been producing cotton for 150 years. They are continuing to grow a soil-depleting crop, and are doing the best they can to make up for that depletion by adding chemical fertilizer.

These old cotton States of the South are just now getting under way toward conversion to other more profitable types of agricultural production. The one greatest opportunity which lies before them is that of converting to an animal industry, and particularly to a dairy industry.

Under the false pretense of protecting their income, this bill is striking a blow at the greatest hope which would otherwise lie before them.

If we undertake to increase the cottonseed production to meet the demands for unrestricted invasion of oleo into the butter market, we must remember that while we are increasing the production of cottonseed, we are also increasing the production of cotton fiber, which is already in such tremendous surplus that the cotton market would collapse today were it not for payments and loans from the Federal Treasury.

Why do we undertake to encourage the continuance of uneconomic conditions for the benefit of a handful of oleo manufacturers?

Why do we not take a long-range view of the situation, and protect the income of American agricultural workers, protect the market for American industrial goods, protect the wage level of American workers, and protect the economy of the Nation, by amending this bill so that it will be impossible for the oleo interests to partially destroy the branch of our American economy upon which the greatest number of our people depend.

Mr. McCARTHY obtained the floor.

Mr. HENDRICKSON. Mr. President, will the Senator yield, to permit me to suggest the absence of a quorum?

Mr. McCARTHY. I am glad to yield for that purpose.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk (Emery L. Frazier) called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	O'Mahoney
Anderson	Hickenlooper	Russell
Butler	Holland	Saltonstall
Connally	Hunt	Schoeppel
Cordon	Johnson, Tex.	Smith, N. J.
Donnell	Johnston, S. C.	Sparkman
Dworshak	Kerr	Stennis
Eastland	Knowland	Taft
Ellender	Lehman	Taylor
Ferguson	McCarran	Thomas, Okla.
Fulbright	McCarthy	Thomas, Utah
George	McKellar	Thye
Gillette	McMahon	Vandenberg
Green	Maybank	Wherry
Gurney	Neely	Wiley
Hayden	O'Connor	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk (Edward E. Mansur, Jr.) proceeded to call the names of the absent Senators.

Mr. HENDRICKSON. Mr. President, I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER (Mr. HUNT in the chair). The Chair rules that the suggestion of the absence of a quorum cannot be withdrawn.

Mr. HENDRICKSON. I abide by the decision of the Chair, Mr. President.

Mr. WILEY. I insist, Mr. President, that the clerk continue to call the roll.

The Chief Clerk resumed calling the names of the absent Senators.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that I be permitted to withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. In the absence of a quorum, the Senate cannot give unanimous consent.

The Chief Clerk resumed and concluded calling the names of absent Senators, and Mr. BENTON, Mr. BREWSTER, Mr. BRICKER, Mr. BYRD, Mr. CHAPMAN, Mr. DARBY, Mr. DOUGLAS, Mr. DOWNEY, Mr. ECTON, Mr. FREAR, Mr. GRAHAM, Mr. HILL, Mr. HOEY, Mr. HUMPHREY, Mr. IVES, Mr. JENNER, Mr. KEFAUVER, Mr. KEM, Mr. LANGER, Mr. LEAHY, Mr. LONG, Mr. LUCAS, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN, Mr. MCCLELLAN, Mr. MCFARLAND, Mr. MORSE, Mr. MURRAY, Mr. MYERS, Mr. ROBERTSON, Mr. TOBEY, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG answered to their names when called.

The PRESIDING OFFICER. A quorum is present.

Mr. McCARTHY. Mr. President, I send to the desk an amendment to H. R. 2023 and ask that it be allowed to lie on the table and be printed in the RECORD. I wish to have it stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, between lines 10 and 11, insert the following new section:

SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting "(1)" after the letter "(a)" in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product."

(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"(f) The term 'oleomargarine or margarine' includes—

"(1) All substances, mixtures, and compounds known as oleomargarine, margarine, oleo, or butterine;

"(2) All substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if (A) made in imitation or semblance of butter, or purporting to be butter or a butter substitute, or (B) commonly used, or intended for common use, in place of or as a substitute for butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used, or suitable for common use, as a substitute for butter."

On page 4, line 11, strike out "Sec. 4" and insert "Sec. 5."

On page 4, line 23, strike out "Sec. 5" and insert "Sec. 6."

On page 5, line 3, strike out "Sec. 6" and insert "Sec. 7."

The PRESIDING OFFICER. The Chair would like to have the Senator state whether he wishes to have the amendment considered the pending question.

Mr. McCARTHY. I understand there is a very good possibility that the Senator from Arkansas [Mr. FULBRIGHT], who is in charge of the pending bill, may accept the amendment. I understand also that my cosponsors of the Wiley amendment may possibly accept it as an amendment to the Wiley substitute. For the time being I believe I shall have to request that it be the pending question, although I am not at all concerned about whether it is the pending question or not.

The PRESIDING OFFICER. Then the question is on agreeing to the amendment offered by the junior Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. While this is not technically presented as an amendment to the Wiley substitute, I should like to have it so considered and inserted in the proper place in the Wiley substitute, so that it will be offered both as an amendment to the Wiley substitute and to the Fulbright bill.

Mr. WILEY. Mr. President, will my colleague yield?

Mr. McCARTHY. I yield to my colleague.

Mr. WILEY. I have not seen the particular amendment which has been suggested as an amendment to the substitute amendment, but I did hear it read, and it seemed to me that it had merit. So far as I am personally concerned, while I am only one of the 25 or 26 sponsors of the proposed substitute, I am inclined to accept the amendment to the substitute, if that would be in order.

The PRESIDING OFFICER (Mr. LONG in the chair). The senior Senator from Wisconsin [Mr. WILEY] can modify his proposed substitute by accepting the amendment offered by the junior Senator from Wisconsin, if he so desires.

Mr. WILEY. I do so desire.

The PRESIDING OFFICER. The proposed substitute is so modified.

Mr. McCARTHY. Mr. President, I am still offering it as an amendment to the original Fulbright bill, and I ask to have it printed and to lie on the table.

The PRESIDING OFFICER. The question is on agreeing to the amendment as offered to the original bill.

Mr. McCARTHY. Simply stated, Mr. President, the amendment is for the purpose of making illegal the unfair and dishonest advertising of oleomargarine. I have before me some unusual examples of the attempts of the oleomargarine interests to try to pass their product off as butter. I believe that is unfair, not only to the dairy farmer, but also to the consumer. The only individuals who can gain by this type of dishonest advertising are the oleomargarine interests.

In order to show what I am discussing, I have before me, for example, a paper

dated December 1, 1949, with big headlines, "Dairy products for holiday goodies," showing a bottle of milk, beside it a piece of cheese, and a pound of butter. Underneath appears "Pak Delrich, lb. pkg. 27 cents." It is oleomargarine. That is in a New York newspaper.

I have before me a newspaper from Memphis, the Memphis Press-Scimitar, dated February 24, 1949, advertising Durkee's oleomargarine, beside what looks like a pound of butter. There is pictured a dairy farm. This is advertised as "country fresh." Obviously the purpose of it is to create the impression that this is a dairy product.

I have before me, Mr. President, a newspaper from San Francisco, the San Francisco Call-Bulletin, advertising Wilson's oleomargarine as "churned fresh daily." As we know, "churning" means separating the butterfat from the milk. That is the common conception of it. There are of course other conceptions of churning, but in the public mind "churning" means taking the cream and removing the butter. They advertise this as "churned fresh daily," and they mention the word "milk" in it also.

I have before me also a newspaper from White Plains, N. Y., the Reporter Dispatch, dated December 1, 1949, in which again appears a very good drawing of dairy products. Underneath are the words "Dairy products, margarine, Numaid, 2 pounds 45 cents," under the heading of "Dairy products."

Mr. President, I have before me also the Cleveland Press, dated Thursday, December 15, 1949, advertising Durkee's products. I might say that this outfit, Durkee's, which is a division of the Glidden Corp., seems to be one of the principal offenders. They have embarked upon a deliberate campaign to try to palm off their oleomargarine as butter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. AIKEN. Is that the same company which makes paint?

Mr. McCARTHY. That is the same company which makes paint.

Mr. AIKEN. Out of the same material? [Laughter.]

Mr. McCARTHY. Perhaps out of the same material. If the Senator from Arkansas were in the Chamber, I should like to ask him a question about that.

As Senators know, since 1943 the Department of Agriculture has administered and promoted a consumer-grading program, in so far as butter is concerned. The first grade is AA, which is the highest grade of butter. The next grade is A, and then are B and C. There is no such grading of oleomargarine.

I find in this newspaper, the Cleveland Press, a large advertisement "Durkee's Oleomargarine." Then there is a huge arrow pointing from a package that resembles a package of butter to a large yellow circle entitled "Grade AA Fortified." Also "Look for this Quality Seal."

When they advertise this they know that people do look for quality seal, AA, in butter, and they know that it means something in butter. They know, for example, that the manufacturer

who has a grade-A butter cannot list it as grade AA. But Durkee and the Glidden Corp. can put grade AA on their product because it is not regulated. That, however, will be controlled, if my amendment is adopted.

I have before me also, Mr. President, a New York newspaper dated Thursday, November 17, 1949. It is the Reporter Dispatch of White Plains. Again we find the same type of deliberately dishonest advertising. There appear drawings of cheese and butter, very excellent and very appetizing in appearance, and a huge banner saying "Remember, Dairy Products Are Vital to Good Health." Underneath that it says "Nucoa, pound package 27 cents."

I have before me also, Mr. President, but unfortunately it cannot be reproduced in the RECORD, the Durkee package in which they pack the oleomargarine, very deliberately made to appear exactly as a butter package, even down to the grade AA, which only butter manufacturers should be entitled to use under the rules and regulations of the Department of Agriculture.

Mr. President, there is another amendment which I intend to offer, but which I have not yet prepared, which would go hand in hand with the amendment which I have submitted. That amendment will provide that all oleomargarine must be labeled in letters at least one-half inch high "This is not a dairy product."

Mr. President, I believe both amendments, if adopted, will do a great deal for the consumer, in protecting him against this type of dishonest, misleading advertising, and also, of course, will protect the dairy farmers from the dishonest competition which they are now encountering.

I may say that I am sure the dairy farmers of my State—and Wisconsin has the greatest production of dairy products of any State in the Union—are not worried about any honest competition from any other product. I am sure that the dairy farmers of my State feel that if the housewife would prefer to buy oleomargarine, she should be able to buy it, but she ought to know what she is buying when she does so.

Mr. WILEY. Mr. President, will my colleague yield for a question?

Mr. McCARTHY. I am glad to do so.

Mr. WILEY. I presume this particular amendment has been carefully studied, to make sure there is no African in the woodpile. The whole purpose of the amendment is clearly to indicate that it would be illegal for the oleo interests to advertise their products as dairy products. That is the sum and substance of the amendment, is it not?

Mr. McCARTHY. Yes; the purpose of the amendment is to prevent any form of advertisement which gives the impression, directly or by inference, that the consumer is buying butter.

Mr. WILEY. In other words, the amendment would place no limitation upon the legitimate advertising of oleomargarine or margarine?

Mr. McCARTHY. None whatsoever. I might say that there should not be.

If the oleo interests can sell their product on its merits I do not think we should in any way try to resist them. But I do think we should make sure that they advertise it solely as what it is.

Mr. WILEY. I thank my colleague.

Mr. President, if my colleague has completed his statement, I shall suggest the absence of a quorum. Before I do so I will say that I had expected that a Senator on the other side of the aisle and one on our side of the aisle would speak, in addition to the Senator from Vermont [Mr. AIKEN], who has spoken, and that the afternoon would thus be consumed in discussing the unfinished business. The Senator from the Democratic side who was to speak, however, has been taken ill.

Mr. McCARTHY. Mr. President, if the Senator wants time consumed, I will say I have an amendment I can offer, the purpose of which is to repeal the poll tax. I am sure discussion of it would consume some time. I shall be glad to submit it.

Mr. WILEY. I suggest the absence of a quorum. I hope my colleague will remain in the Senate Chamber.

The PRESIDING OFFICER [Mr. Long in the chair]. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILEY. Mr. President, I ask unanimous consent that I may be permitted to withdraw my suggestion of the absence of a quorum.

Mr. GEORGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. GEORGE. Mr. President, I wish to propound this inquiry: What question is now pending before the Senate?

The PRESIDING OFFICER. The pending question is on agreeing to the McCarthy amendment which has been proposed to the original bill, on page 4, after line 10.

A moment ago the absence of a quorum was suggested.

Mr. GEORGE. Has that amendment already been offered to the Wiley substitute?

Mr. WILEY. That is correct, and it has been accepted, and is now a part of the Wiley substitute.

The PRESIDING OFFICER. The Senator from Wisconsin has requested unanimous consent to withdraw his suggestion of the absence of a quorum. Is there objection? The Chair hearing none, it is so ordered.

The question now is on agreeing to the McCarthy amendment proposed to the original bill, on page 4, after line 10.

Mr. LANGER. Mr. President, I offer and send to the desk two amendments to the pending oleomargarine bill. I ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. LANGER. The first amendment, Repeal of War-tax Rates of Certain Miscellaneous Taxes, would repeal the war-tax rates of the following taxes: Ad-

missions; use or lease of boxes or seats; sales of tickets outside box office; cabarets, roof gardens, and so forth; dues or membership fees; initiation fees; jewelry; furs; toilet preparations; distilled spirits; imported perfumes containing distilled spirits; still wines; sparkling wines; liqueurs and cordials; fermented malt liquors; billiard and pool tables and bowling alleys; electric-light bulbs and tubes; telephone, long distance; domestic telegraph, cable, or radio dispatches; leased wires, and so forth; wire and equipment service; local telephone service; transportation of persons; seats, berths, and so forth; and luggage, purses, and so forth.

The second amendment, Repeal of Certain Excise Taxes, would repeal all of the excise taxes on the articles and services listed in the following subsection by subsection analysis:

Subsection (a) removes all excise taxes from admissions and dues.

Subsection (b) removes the so-called retailers' excise taxes which includes taxes on jewelry, furs, and toilet preparations.

Subsection (c) removes manufacturers' excise taxes which includes taxes on tires and inner tubes; toilet preparations; automobiles and parts; radios, phonographs, and musical instruments; mechanical refrigerators and air-conditioning units; sporting goods; luggage; electric, gas, and oil appliances; photographic apparatus; electric signs; business and store machines; rubber articles; washing machines; optical equipment; electric-light bulbs and tubes; firearms, shells, and cartridges; matches; electrical energy for domestic and commercial consumption; gasoline; and lubricating oils.

Subsection (d) removes the excise taxes on transportation and communication which includes taxes on transportation of oil by pipe line; telegraph, telephone, radio, and cable facilities; transportation of persons; and transportation of property.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WILEY. Does it include any suggested legislation in relation to income taxes?

Mr. LANGER. No.

ORDER FOR RECESS TO MONDAY

Mr. LUCAS. Mr. President, I ask unanimous consent that when the Senate finishes its business of today it take a recess until Monday next at 12 o'clock noon.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection? The Chair hears none, and it is so ordered.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. McCARTHY. Mr. President, I send to the desk an amendment to House bill 2023, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate. The Chair calls the attention of the Senator from Wisconsin to the fact that he has already pending one amendment to this bill, which the Senate has not yet acted upon.

Mr. McCARTHY. I understand that, Mr. President, but I have discussed this with the cosponsors of the substitute bill, and I believe it will be accepted, as will also, I believe, the original amendment. I understand the sponsor of the Fulbright measure will consider this and let us know at some later time whether or not he will accept both of my amendments.

The PRESIDING OFFICER. Does the Senator propose to withdraw the earlier amendment?

Mr. McCARTHY. The earlier amendment has been accepted by the—

Mr. GEORGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GEORGE. Is there not already pending an amendment to the original bill?

The PRESIDING OFFICER. The Senator is correct. That is what the Chair has just called to the attention of the Senator from Wisconsin.

Mr. GEORGE. Then I make the point of order that another amendment to the original bill is not now in order.

The PRESIDING OFFICER. The Senator is correct. The point of order is sustained.

Mr. McCARTHY. Mr. President, I understand that, but there is nothing which prevents my explaining to the Senate the purpose of this amendment and having it lie on the table. I ask that the amendment be stated and that it lie upon the table.

The PRESIDING OFFICER. That will be in order. The clerk will state the amendment.

The LEGISLATIVE CLERK. On the first page, between lines 10 and 11, it is proposed to insert the following new section:

SEC. 3. Section 403 of the Federal Food, Drug, and Cosmetic Act is amended by adding thereto a new paragraph as follows:

"(1) If it is oleomargarine or margarine unless there shall appear on the label thereof in letters not less than one-half inch in height the words 'This is not a dairy product.'"

On the first page, line 11, strike out "SEC. 3" and insert "SEC. 4."

On page 4, line 11, strike out "SEC. 4" and insert "SEC. 5."

On page 4, line 23, strike out "SEC. 5" and insert "SEC. 6."

On page 5, line 3, strike out "SEC. 6" and insert "SEC. 7."

The PRESIDING OFFICER. The proposed amendment will lie on the table and be printed.

Mr. McCARTHY. Mr. President, I discussed this amendment in some detail when I discussed my original amendment, which was designed to prevent fraudulent, dishonest advertising. I believe the amendment is self-explanatory and needs no discussion. I understand that my cosponsors of the Wiley-Gillette substitute will accept this amend-

ment and also the pending amendment. I hope the Senator from Arkansas will also accept as a part of his original bill both my first amendment and the amendment that is lying on the table, and I certainly should be happy to hear from him on that point later in the afternoon.

Mr. GEORGE. I shall have to insist that one amendment be offered at a time. If the Senator wishes to withdraw his amendment to the pending bill, he may offer any other amendment to it that he wishes.

Mr. McCARTHY. I think the Senator from Georgia misunderstands what I have done. I offered an amendment to the pending bill. I have sent to the desk a second amendment, to have it printed and lie on the table until such time as I may, under the rules of the Senate, call it up.

Mr. GEORGE. I have no objection to that.

Mr. McCARTHY. I have not attempted to call up my second amendment.

Mr. GEORGE. I do not want to have the issue confused by several amendments, all pending at one time. I did not understand the Senator. If that is the case, I beg his pardon.

Mr. President, may I inquire of the Senator whether he asks that the first amendment offered, the amendment to the pending bill, not to the substitute but to the pending bill, be printed?

Mr. McCARTHY. Yes, I did.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. WILEY. Mr. President, as I stated before, there were several Senators who were going to speak. We have had a number of quorum calls today, and we have never had a bona fide quorum. The reasons are very evident. I think most Senators figured there would be no vote, there would be no real action taken on the bill or on any of the amendments. I personally had planned to speak Monday. The three Senators who I know are going to speak have requested that the matter go over so they can speak Monday. That would mean, I think, that as far as the substitute amendment is concerned, unless we were to take up amendments to the amendment, we would be practically through speaking on the substitute amendment, Monday or Tuesday. However, today, two amendments have been suggested, and I heard some talk a few minutes ago about a poll-tax amendment; so I have no assurance how far the discussion may go. But in view of the fact that there has not been a bona fide quorum present, I am going to ask the majority leader to agree to a motion at this time to adjourn or recess in accordance with his previous statement to the Senate.

Mr. LUCAS. It is now a quarter of three. I had hoped we might run along until approximately 5 o'clock before we adjourned or recessed today. I am sure a number of promargarine Senators and prodairy Senators have good speeches in their systems which are bound to come out sooner or later.

Mr. WILEY. Is that true of the Senator from Illinois?

Mr. LUCAS. Mr. President, I did not yield to the Senator for that question.

Mr. WILEY. It is only a suggestion.

Mr. LUCAS. I dislike very much to have the Senate adjourn in the middle of the afternoon, although I must admit we have gone along pretty well since we convened last Tuesday. Does the Senator from Wisconsin not have someone in the dairy camp who could entertain the Senate for another hour or so? The only thing I am trying to do is to move the Senate along with all possible expedition. I know my distinguished friend from Wisconsin is a candidate for reelection this year, I know he wants to get back to the hustings as soon as he can, and I should think it would be in his interest to move all legislation along as speedily as possible. He and I both understand what it is to go over a large State in a campaign, and I was trying really to help the Senator from Wisconsin by my effort to expedite this legislation and all other legislation.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I am glad to yield to my distinguished colleague from the North.

Mr. WILEY. I do not think there is any question of entertainment in this case, as suggested by the Senator.

Mr. LUCAS. I shall change the word.

Mr. WILEY. It is a pretty serious matter, as I believe, to a large segment of the country, and I feel that in view of the bill of goods which has been sold through the newspapers, through the radio, and through other channels, the whole issue has become rather befogged. I feel it is important that we have a quorum in the Senate when we discuss a measure which is, I think, calculated to affect vitally the economic and political structure of the country. That is the only reason for my suggestion.

I trust that Senators who are away from Washington traveling, and those who have gone home over the week-end, will be here Monday. I myself, am very serious, in my own conviction. So far as the hustings are concerned, I am sure all of us will do the best we can to lock after them. If the Senator should insist on the Senate proceeding, I should raise the question of there being no quorum; we would find no quorum present, and we would then go over until Saturday, unless the order entered awhile ago applies. I do not want to delay the matter; I want to facilitate it. I have never been accused of engaging in filibustering tactics. I think, however, that if we adjourn or recess now, and Senators are on notice that they are supposed to be here Monday to speak, we shall really accelerate action on this whole measure. That is the way I feel.

Mr. LUCAS. Mr. President, in reply to the Senator from Wisconsin, I wish to assure him that I was not being facetious when I used the word "entertainment." If the Senator objects to that word, I shall be glad to apply a different word, because I agree with him that this is a very serious question for many different interests throughout the United States of America. What I do not quite under-

stand is the fact that the Senator states that certain Senators are out of the city and will not be present until next Monday. I had thought that all Senators would be remaining in or around Washington pretty closely, in view of the fact that the Senate returned to the Capitol only last Tuesday. I am certain that we have today as large a group present as any Senator could reasonably expect to find to talk to on either the margarine or the butter question. If the Senator wants a recess until Monday, I shall not insist to the contrary, although I think it is probably wrong to take a recess at this time.

Mr. WILEY. Perhaps there are other Senators present who would like to speak on some other subjects that would be of interest or would be entertaining to the galleries and the Members who are present. I am sure that any one of us, including the majority leader, can provide the entertainment or wisdom that may be necessary. On the other hand, the issue before the Senate is the oleomargarine bill, and I feel that we shall accelerate action on it if we do as I have suggested.

I am perfectly willing to go on, if the majority leader insists on that course. A matter of a couple of hours should

not trouble any Senator who has been in the Senate a few years.

Mr. LUCAS. Mr. President, if I agree with my good friend from Wisconsin that we take a recess until Monday, could I obtain from him any unanimous-consent agreement with respect to when we might finally vote on the oleomargarine bill?

Mr. WILEY. If I were in a position in which I could express the sentiments of all those who joined in the substitute amendment, I should be glad to say "yes" to that question, but I will say to the Senator that one of my objectives is to try to get a meeting tomorrow of the Senators who oppose the pending bill, and to see if we cannot come to some definite understanding with relation to procedure, particularly in relation to suggested amendments. There are approximately 26 names attached to the substitute amendment, and I have had no opportunity to speak with any of those Senators since the first of January. I am in no position to enter into any agreement.

RECESS

Mr. LUCAS. Mr. President, I desire to accommodate the Senator from Wisconsin and other Senators who are interested in the cause, and, in view of the very persuasive plea which my friend

from Wisconsin makes regarding taking a recess, and with the full realization that he has much to do between now and Monday in order to get together the group of Senators whom he has mentioned, for the purpose of ascertaining how long it will take to debate the bill, I now move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 53 minutes p. m.) the Senate took a recess until Monday, January 9, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 6 (legislative day of January 4), 1950:

UNITED STATES ATTORNEYS

Everett W. Hepp, of Alaska, to be United States attorney for division No. 4, district of Alaska, vice Harry O. Arend, resigned.

Irving H. Saypol, of New York, to be United States attorney for the southern district of New York, vice John F. X. McGohey, elevated.

UNITED STATES MARSHAL

Henry Robert Bell, of Tennessee, to be United States marshal for the eastern district of Tennessee. He is now serving in this office under an appointment which expired July 2, 1949.

House of Representatives

FRIDAY, JANUARY 6, 1950

The House met at 12 o'clock noon.

Rev. Frank B. Burress, pastor, Fountain Memorial Baptist Church, Washington, D. C., offered the following prayer:

O Lord, Thou who hast been our dwelling place in all generations, we call upon Thee because Thou hast promised to answer our petitions. We are grateful that Thou hast not answered as we have always prayed, because Thine infinite judgment knew that we had asked amiss. Thy will be done in our lives today. Teach us how to pray.

Bless the Members of this assembly, in their deliberations today, with wisdom from on high for Thou has said, "If any man lack wisdom, let him ask of God."

For the great host of people who are employed by our Government in its various branches here in the homeland, and those who represent us in countries afar, on the islands and at sea, we ask Thy divine favor and wisdom today. May the Speaker of the House be especially blessed with good health and happiness on this his birthday, and for many years to come. We ask these petitions in the name of our Master. Amen.

THE JOURNAL

The Journal of the proceedings of Wednesday, January 4, 1950, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had adopted the following resolutions:

Senate Resolution 199

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. GEORGE J. BATES, late a Representative from the State of Massachusetts.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now take a recess until 12 o'clock tomorrow.

Senate Resolution 200

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. MARTIN GORSKI, late a Representative from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now take a recess until 12 o'clock tomorrow.

The message also announced that the Vice President has appointed Mr. JOHN-

STON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50-12.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BIRTHDAY GREETINGS, MR. SPEAKER

Mr. McCORMACK. Mr. Speaker, without excluding other human activities, one of the activities of life that brings forth the greatness of a man is elective public service. Each and every one of us is aware of the many factors which enter into our own life and which tend to influence us in the rendering of our service to our people and our country and to develop the greatness that lies within us. One of those men who have developed the greatness and nobility of character both as an individual and as a public official was born some few years ago in Tennessee. When he was a child his parents went to Texas, and he went with them, and Texas, for all practical purposes, is his native State. His people recognized his greatness by electing him to the legislature of that great State, and his colleagues in the legislature in those years recognized his greatness of character and leadership by electing him speaker.

His people later recognized his outstanding qualities and elected him to Congress. He has been here many years. He has always commanded the respect of every person who has ever served with him and he commands the respect of all of his colleagues who serve with him now.

His public service has been outstanding, as we all know. He is loyal to his friends. He is patient, he is tolerant, he has consistently adhered to principle. He is a man of complete intellectual honesty and of the highest integrity. He is a man of simple taste, close to the soil and close to the people, a true representative of democratic institutions of government, a keen appraiser of human qualities. He possesses great faith in people and believes good in most people excels, by far, the bad.

I refer to one whose birthday is today, our beloved and distinguished Speaker, and may God bless him for many, many future birthdays to come,

the Honorable SAM RAYBURN, of Texas. [Applause, the Members rising.]

Mr. Speaker, I now yield to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Like my colleague from Massachusetts [Mr. McCORMACK], and all Members of this House on both sides of the aisle, I join in wishing the present occupant of the chair, Speaker RAYBURN, all good luck and good wishes for health and happiness in the years that lie ahead.

During the 15 years I have been a Member of this body I have learned, just as you have, to love the Speaker and to respect him for the fine American citizen he is and for the outstanding contribution he is making to government, has made in the past, and will, we hope, continue to make in the future.

The Speaker as I see him grows not taller, the Speaker does not get any fatter, as I have noticed in the past 15 years, and, may I say, his hair is as usual. He keeps young, he looks ahead and not backward. So those of us who are here today and who have this opportunity wish him Godspeed and all the good things in life. As a Republican, may I say there is one little item I wish he might consider and do for us of the minority, and that is to relinquish the chair to our side of the aisle at least once in a while. However, in the spirit of comradeship and with real personal warmth we wish him all the better things in life to which he so richly deserves.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Texas.

Mr. THOMAS. Mr. Speaker, on behalf of the Texas delegation and those great folks back home in Bonham and those fine counties the Speaker has so ably represented for a good many years, may I say that the best of everything is not good enough for our Speaker.

I know of no man in this House or in any other body who has stood closer to his people back home than has our Speaker. We all love him and we all admire him. He is one of us and we all hope and pray that he may live to be 110. Of course, we all want to be there with him on that day.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I am happy to be privileged to join with others in paying tribute to a great man who has exercised and is now exercising a stabilizing influence in these turbulent times through which the country is passing. The friendship which the occupant of the chair gives those in whom he has confidence is the kind of solder that holds human society together. The solidity of his character, the rightness of his perspective, the soundness of his judgment, his ability to hold the scales with equal justice as between contend-

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 6 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. McCARTHY to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

1 On the first page, between lines 10 and 11, insert the
2 following new section:

3 “SEC. 3. Section 403 of the Federal Food, Drug, and
4 Cosmetic Act is amended by adding thereto a new para-
5 graph as follows:

6 “(1) If it is oleomargarine or margarine unless there
7 shall appear on the label thereof in letters not less than
8 one-half inch in height the words “This is not a Dairy
9 Product”.”

10 On the first page, line 11, strike out “SEC. 3.” and
11 insert “SEC. 4.”.

1 device, symbol, sound, or any combination thereof, that such
2 oleomargarine or margarine is a dairy product.’ ”

3 (b) Such section 15 is further amended by adding at
4 the end thereof the following new subsection:

5 “(f) The term ‘oleomargarine or margarine’ includes—

6 “(1) all substances, mixtures, and compounds
7 known as oleomargarine, margarine, oleo, or butterine;

8 “(2) all substances, mixtures, and compounds
9 which have a consistence similar to that of butter and
10 which contain any edible oils or fats other than milk
11 fat if (A) made in imitation or semblance of butter,
12 or purporting to be butter or a butter substitute, or
13 (B) commonly used, or intended for common use, in
14 place of or as a substitute for butter, or (C) churned,
15 emulsified, or mixed in cream, milk, skim milk, butter-
16 milk, water, or other liquid and containing moisture in
17 excess of 1 per centum and commonly used, or suitable
18 for common use, as a substitute for butter.”

19 On page 4, line 11, strike out “SEC. 4” and insert
20 “SEC. 5”.

21 On page 4, line 23, strike out “SEC. 5” and insert
22 “SEC. 6”.

23 On page 5, line 3, strike out “SEC. 6” and insert
24 “SEC. 7”.

AMENDMENTS

Proposed by Mr. McCARTHY to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 6 (legislative day, JANUARY 4), 1950

Ordered to be printed

81ST CONGRESS
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 6 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: At the proper place in the bill insert the following new section:

1 SEC. . REPEAL OF WAR TAX RATES OF CERTAIN MIS-
2 CELLANEOUS TAXES.

3 (a) Section 1650 of the Internal Revenue Code (war
4 tax rates of certain miscellaneous taxes), as amended, is
5 hereby amended by inserting immediately after the words
6 "Revenue Act of 1943" the following: " , and ending on
7 the first day of the first month which begins more than
8 twenty days after the date of enactment of this amendment,".

9 (b) Sections 1651 (retailers' excise tax on luggage,

1 etc.), 1652 (leases, conditional sales, existing contracts,
2 etc.), and 1653 (articles classifiable under more than one
3 section) of the Internal Revenue Code are hereby repealed.

4 (c) Section 302 (b) (2) of the Revenue Act of 1943
5 (period applicable to increase of tax with respect to billiard
6 and pool tables and bowling alleys), as amended, is hereby
7 amended by striking out the period at the end thereof and
8 inserting in lieu thereof the following: “, and continuing
9 through June 30, 1950.”.

10 (d) Section 309 (b) of the Revenue Act of 1943 (re-
11 lating to drawback on distilled spirits), as amended, is
12 hereby amended by inserting immediately after the words
13 “Revenue Act of 1943” the following: “, and ending on
14 the first day of the first month which begins more than
15 twenty days after the date of enactment of this amendment,”.

16 (e) The term “rate reduction date” as used in chapter
17 9A of the Internal Revenue Code (relating to war taxes and
18 war tax rates) means the first day of the first month which
19 begins more than twenty days after the date of enactment
20 of this Act.

21 (f) The provisions of subsection (b) shall be effective
22 on and after the first day of the first month which begins
23 more than twenty days after the date of enactment of this
24 Act.

H. R. 2023

AMENDMENT

Intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 6 (legislative day, JANUARY 4), 1950
Ordered to lie on the table and to be printed

western Europe, I am sure that the other nations of that region and this Nation as well would welcome Spain as a full partner in the great undertakings.

But Spain's membership under present conditions would be an anomaly. I find in the Spanish press—keep in mind that it is an official and controlled press—and in the pronouncements of Spain's Government an implicit recognition of this. Spain offers itself as a beneficiary of United States aid not as a part of the grand pattern of American policy in Europe but as an alternative to that pattern.

Two years ago, when we first debated the European recovery program, there was an urgency among some in this country to precipitate Spain into the fellowship of western Europe by explicitly stating its eligibility. More recently, however, the proposals for assistance to Spain have taken the form of suggested loans outside the framework of the European recovery program.

The Spanish press and the Spanish Government have shown a quickening interest in this line of procedure. They have looked longingly upon the degree of recovery attained among the participants in the European recovery program. How to share in the benefits without paying the price of democratic collaboration? That has been the question which Spain's Government has sought to solve.

Since Spain could not, without transforming its regime, fit itself into the pattern of western Europe, Spain has sought to impress upon the United States the opportunity to help Spain on different terms.

The approach through the direct channels of public policy was difficult. So Spain's Government sought an avenue to satisfaction of its desires by courting public opinion in the United States. Public relations were substituted for public policy.

It is an old failing of dictatorships to believe their own propaganda about the weaknesses and vanities of democratic peoples. They become bemused by telling themselves so much about our inconstancy and our susceptibility to blandishments.

The Spaniards are fine hosts, capable of great deference and great charm in all personal relationships. Certainly no people ranks higher in American esteem in matters of personal liking. Spain is, in the American mind, a land of color, romance, and great personal courage. If personal responsiveness to foreign charm were to be the measure by which we decide matters of great moment in foreign policy, then certainly assistance to Spain would be with the topmost on the list of American concerns abroad.

We have, however, a well-considered program for western Europe. With all our liking for the Spanish people, we must still face the question: Can assistance to Spain be fitted into the larger pattern?

The idea of military assistance to Spain has followed a parallel route. Under present conditions, the inappropriateness of Spain as a participant in the North Atlantic undertakings was mani-

fest. Yet Spain has looked longingly upon the program for strengthening the sinews of Spain's neighbors to the end that they might form a viable unit of defense against potential aggressors.

I have found reflected in the Spanish reaction two approaches to the satisfaction of Spain's desires in this regard.

The first is to press upon the United States the hopelessness of establishing a defense line through central Europe. Coupled with this are warnings as to the fickleness and feebleness of the allies we have chosen. Spain is put forth as a geographically and morally more dependable partner.

I have found reflected in the press and in comments from official sources—we should never forget the identity of the press and the official line in Spain—the idea that defense of the North Atlantic area should be premised upon purely military considerations. There are those in this country who respond to this suggestion to divorce strategy from consideration of its political consequences—always an enticing but dangerous formula.

In this latter connection I have given note to two recent interviews granted by the Spanish dictator.

In one, an interview with Mr. Tom Jacob, an Australian journalist, appearing in the Madrid press on November 24, 1949, Generalissimo Franco recognizes frankly the lack of community between Spain and the democratic nations so far as political considerations go. He speaks of democracy as something the Spaniards found not to their liking and rejected "many decades before democracy was practiced in the world in the form which today is considered to be most perfect." He speaks of democracy as something which enchained, ruined, and degraded the Spanish people, who were right in casting it out.

In the other interview, granted to Mr. Constantine Brown, an American journalist, and printed November 27, 1949, Generalissimo Franco speaks suspiciously of politicians as makers of foreign policy and expresses the view that all might be set aright if America were guided by military men. This was echoed in the Madrid newspaper, *Informaciones*, in the expressed hope that military men might soon be able to "take control of world affairs over from the politicians."

Could we but divorce Spain from the larger pattern of our European policy, and could we but consider defense of the North Atlantic area in a compartment separate from the politics of the area, then the basic issues between us and Spain might indeed be resolved. I believe, however, that at the cost of disappointment to the aspirations of Spain's present regime, we should continue to work within the limits of our present pattern of policy.

By this I do not mean that we must forever follow a negative course toward Spain. I suggest only that we make it clear to ourselves and to Spain as well the course that future cooperation with Spain must take. For the working out of an affirmative policy does not depend merely on what we may do. It depends primarily upon what Spain does.

Three of my colleagues of the Committee on Foreign Affairs went to Spain in the second week of December 1949. They went as friends and admirers of the Spanish people. When called upon to appraise the future of relations between the two countries they spoke candidly of what they regarded as the unrealistic expectations they found in Spain. The senior member of the group, my colleague, Congressman JOSEPH L. PFEIFER, speaking also for Congressmen THOMAS S. GORDON and CLEMENT J. ZABLOCKI, spoke at length about the friendly regard of Americans for the Spanish people. Continuing with the outlook for relations, he said:

I have been asked what is the United States going to do about Spain. I think the order of the question is wrong. I don't mean to be harsh when I say Spain is a secondary problem to the United States. The United States, however, is a primary problem to Spain. The real question is this: What is Spain going to do about the United States? Only the Spaniards themselves can answer that.

There was nothing but candor in this statement—no insult to Spanish pride, no reproach to Spain's regime. Yet the Spanish press answered with a flood of invective, applying such terms as "insolent" and "malice."

I believe there is the key to something important in the reaction of the Spanish press to this inoffensive and well-proportioned statement.

Spain was the first of all the powers to come to national unity and imperial glory. By the start of the sixteenth century Spain had achieved a position within Europe and across the seas unrivaled by any other. Yet this day of power and glory began to fade as suddenly as it had come. By the turn of the next century Spain's imperial decline had set in. That decline continued for 300 years until, a half century ago, Spain yielded up the last of its empire.

Nothing so besets a nation's thinking as the memory of vanished power. This has been true of the Spaniards. Spain achieved its glory alone. For a century Spain enjoyed singular national stature. And then history seemed to pass Spain by.

Spanish thought is still, consciously or unconsciously, dominated by the ideal of national glory singularly achieved and singularly enjoyed. There is always the explicit or implicit belief that the wheel will come full circle again. And Spain has tended to remain aloof from the concert of Europe, to eschew community with other powers, and to withdraw into national pride and ancient memories.

That is the case today with Spain, which prides itself on its separateness and which emphasizes its differences rather than its community with western Europe.

So long as that is the case, so long as Spain insists upon being treated on a separate basis, so long as Spain hangs back from participation in the great joint enterprises, Spain must be a secondary consideration for the United States, which is preoccupied with the considerations of a wider European policy. That is all the meaning I read into my col-

league Mr. JOSEPH L. PFEIFER's statement about Spain.

What is Spain going to do about the United States? That is simply another way of asking, What steps does Spain plan to take in order to fit itself into the larger pattern and thus become a part of the primary area of United States concern? When the gentleman from New York [Mr. JOSEPH L. PFEIFER] asked this question, the Spanish press, as exemplified by Arriba, answered that Spain would do precisely nothing.

That may be the present answer. I doubt that it is the final answer.

The day of singular greatness is gone among the western nations. The pattern is no longer that of national and imperial glory. The pattern of greatness now is that of participation in a larger design of cooperation. I, for one, do not believe that pattern in the west will ever be complete until Spain is a part of it. Spain's becoming a part of it is contingent above all on what course Spain itself chooses to follow. The obstacles of the moment must surely pass; but when and how, I do not know.

Meanwhile, we should seek to develop with Spain whatever pattern of cooperation may be feasible without impairing the larger designs of our policy. As a means to that end, we should, as I have suggested, restore as soon as practicable full diplomatic interchange.

In developing such a pattern, we should be vigilant that we keep first things first.

Our primary concern is with bringing about an integration among the free nations of western Europe. We should not jeopardize that design by attempting to force into their fellowship a nation which resolutely renounces such cooperation, and which prides itself on its lack of community rather than its common destiny with the west.

One of the great political tasks within and among the nations of the Western World is that of fitting labor freely and creatively into full participation in the political functions of society. I emphasize the word "freely" to point up the principle that labor must remain free of the impingements of both the Fascist and the Communist systems. In response to this principle of our policy, we have today among the free working men of western Europe some of the strongest supporters of the American objectives. Labor, free labor, is moving more and more into a determining position in the political communities of western Europe. We must not sacrifice that support of free labor—a factor so primarily important to us—for purely secondary considerations in a nation where labor is not free.

Finally, we should reserve for Spain the same terms of assistance that we apply to others. I believe the Spaniards should be advised against unrealistic expectations that we shall have one policy for the rest of western Europe and another for Spain.

The opportunity for assistance on the basis of self-help, mutual assistance, collaboration among free nations, and the preservation of free institutions has never been denied Spain. It is Spain

that in the first instance has chosen to walk alone.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is the gentleman speaking now for the Committee on Foreign Affairs?

Mr. KEE. I am speaking solely my own views and upon my own responsibility.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I must confess that I am rather ignorant of the reasons for our not having recognized the Government in Spain. I wonder what the difference is, inasmuch as we have recognized Portugal? What is the difference between that Government as compared with the Government of Spain, which is objectionable?

Mr. KEE. There are a great many differences between the Government of Portugal and the Government of Spain. For one, the Government of Portugal was not placed in power through the operations of other governments or other powers. It is not a government that was forced upon Portugal by outside influences and outside forces. There are various and sundry other differences which it would be time-consuming to enumerate. As a matter of fact, as I have already stated, our Government recognized Spain in 1939.

Mr. O'HARA of Minnesota. I listened very closely to the gentleman's remarks with reference to the monopolistic practices in Spain. And I was thinking of the monopolistic practices of Soviet Russia when we recognized that country.

Mr. KEE. We have had that experience with quite a number of governments. There are a few other countries in the world that have monopolistic practices to a more or less extent, but there are divisions and degrees in those practices.

Mr. O'HARA of Minnesota. I may say to the gentleman that I have had considerable difficulty following the reasoning of our State Department as to why we should not recognize the Spanish Government. However, I am very grateful for the gentleman's remarks on the subject.

Mr. KEE. I hope I have resolved some of the gentleman's difficulties.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Pennsylvania.

Mr. RICH. What does the gentleman think of the way our State Department and our Committee on Foreign Affairs have been handling the situation in China during the past 3 or 4 years?

Mr. KEE. I think that from the knowledge at first hand that we have had from time to time, the affairs have been handled just as well and just as intelligently as they possibly could have been handled under all the existing circumstances.

Mr. RICH. The gentleman claims that we have handled them intelligently, yet we have gotten licked at every point.

Mr. KEE. Has the gentleman himself ever been licked?

Mr. RICH. Yes, many times, and I have been licked so many times since I have been a Member of Congress that I just feel that I want to keep on fighting all the time, and I want to fight the principles and policies of the State Department and the Committee on Foreign Affairs in this House all I possibly can. And you just look to me to be a regular tiger for doing that in this session of Congress.

Mr. KEE. I hope that the gentleman's recent experience of being licked will not be his last.

Mr. RICH. Well, I hope so, too.

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. MURRAY] is recognized for 40 minutes.

RURAL AMERICA

Mr. MURRAY of Wisconsin. Mr. Speaker, in asking for this time today I do not want any one to get the impression that it is the dying gasp of a wounded gladiator. But I would like to review through a few of the problems that confront American agriculture in general, and the oleo industry in particular, and I am glad to talk on a subject that is not controversial in any manner.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Before the gentleman starts, may I ask him one question?

Mr. MURRAY of Wisconsin. Yes.

Mr. HOFFMAN of Michigan. I take it then the gentleman is willing, like the gentleman from Pennsylvania [Mr. RICH], to be licked in a worthy cause, and that he will be back again if he does get a licking.

Mr. MURRAY of Wisconsin. I do not think I will get licked individually, because I still believe in the justice of my cause. There might be a temporary let down here for awhile, but I kind of think today, if we had that oleo bill back here in the House, that we would have a whole lot different vote than we had a year ago.

Mr. HOFFMAN of Michigan. I take it the gentleman is still an optimist then?

Mr. MURRAY of Wisconsin. I surely am, because I might say that your party and mine pretty nearly stubbed their toes on this issue. In the other body they gave it a sleeping pill and put it to sleep, and maybe the other body will do this again this year. I am sure they would if they knew the facts involved.

The first time I was on the floor of this House 11 years ago I talked on the economic justice for the rural people. At that particular time, in the days when we had more farm foreclosures in Wisconsin than ever before in the history of the Federal land bank, even if that was the seventh year of the more abundant life, many of the blessings of the New Deal had not extended that far at that time.

We had low farm prices. We had 10,000,000 unemployed in the United States. Of course, since that time we have had a war and the country has gone in debt, as you know, around \$250,000,000,000. But, all during the said period the thing that has irritated me all the way through is that although there has been some attempt to give economic justice to the rural people, especially during the war period—and part of it was necessary in order to get the necessary things to win the war—there was no generosity on anybody's part that I know in particular, but during this time we have slipped and we have seen that during all this period we are forgetting social justice to the rural people.

I will enumerate a few instances. First of all, we extended the Social Security Act. But, if you will notice we were very careful to leave the rural people out of the act. We had a minimum wage law. You notice that the rural people were left out of the minimum wage law. I realize that unorganized labor was indirectly benefited, but the rural people themselves have been pretty well left out of the minimum-wage legislation. Under the circumstances you can get your help for 20 cents an hour for dragging your logs up to a sawmill, but as soon as they start sawing the logs you have to give them 75 cents an hour. That just does not make sense.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Kentucky.

Mr. PERKINS. May I ask the gentleman whether he is in favor of including the farmers under the Social Security Act, and also guaranteeing them and their workers a minimum wage?

Mr. MURRAY of Wisconsin. I surely am. I would not be standing up here today complaining about it if I were not in favor of it. The gentleman's party had better be in favor of it pretty soon, and you had better quit talking about the slave labor that is going along with the Taft-Hartley Act and check up on the Sugar Act. I do not want to hear anyone tell me about the Taft-Hartley being a slave-labor law, because I know where the slave labor is. It is in the Sugar Act, and anyone can find it there if he takes the time to look it up.

Mr. PERKINS. Did the gentleman offer any amendment to the social security bill or the minimum wage bill to take care of the situations of which he now complains?

Mr. MURRAY of Wisconsin. I have been here long enough to know that most of this legislation comes in all cut and dried.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not a fact that the social security bill came in here under a gag rule, and you could not amend it if you wanted to?

Mr. MURRAY of Wisconsin. That is right.

I did not expect to get into an argument so quickly. I knew I would before I got through.

I should like to know why the rural people are left out of social security. They are paying other people social security. I should like to know why the farm people are not included under the minimum wage. I should like to know how we can take one group of our people that labor and give them aid and support in the way of social security and the minimum wage, and give them a pension when they get to be 65 years old that is more than the farmers of this country make during the years when they really work. In other words, there is a relationship there that should be put into operation.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Tennessee.

Mr. SUTTON. I agree with the gentleman that the farm workers should be under social security, but is it not a matter of record that the Farm Bureau and the Grange recommended that the farmers and farm labor not be under social security?

Mr. MURRAY of Wisconsin. I would not want to criticize the Farm Bureau or the Grange or any other farm organization. I have a high regard for them. I do not want to be in the position the Administration is, like a school child, where any time something does not happen they lay it on the Farm Bureau or the Republicans instead of putting the responsibility on themselves where it belongs.

Mr. SUTTON. Is it not a fact that that is the testimony in the record?

Mr. MURRAY of Wisconsin. The Farm Bureau has the right to make any statement they wish. That has nothing to do with the issue today. I am stating my own position. I am not representing any farm organization. I think that I am right. I may be wrong and I have been in the past, but I think I am right.

This brings up another point about this wage business. Under the Steagall amendment that was put into operation during the war—incidentally Mr. Steagall, whose amendment came from the Committee on Banking and Currency, has done more for American agriculture through that amendment than any piece of legislation this or any other Congress has ever passed. Mr. Henry Steagall at least took into consideration that agriculture included all of agriculture. Under the New Deal they had 25 percent of agriculture covered by special privilege legislation under the guise of basic commodities, and half of them were not any more basic than horseradish would be. Under Mr. Steagall's set-up all of agriculture had a common consideration.

It grieved me to see President Truman misled into killing the Steagall bill. The minimum wage under the Steagall bill allowed the man who owned the farm to make 50 to 60 cents an hour. That is demonstrated in a 20-year study down here at the BAE. I did not like to see someone mislead President Truman about killing the provisions of the Steagall amendment. When did he do it? On December 31, 1946. How did he do it? With Executive Order No. 2714.

I do not want to put the President in a position of not wanting the farmers of this Nation to have a return for their labor of only 50 or 60 cents an hour, but that is exactly what took place as a result of killing the Steagall bill. It has been made a political football ever since, and the farm people of this country are taking it on the chin as the result of issuing that particular Executive order.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. SUTTON. I am certainly glad to see that my esteemed colleague on the Committee on Agriculture joins with me, as I join with him, in hoping that the farm laborer and the farmer himself will be able some of these days to come under social security, not as a matter of compulsion, but of his own volition if he wants to.

Mr. MURRAY of Wisconsin. I thank the gentleman. I hope he gets his party and the leader of his party not to kill the legislation when we have it set up on a nonpolitical and nonpartisan basis so that the rural people of this country can have 50 or 60 cents an hour.

Now, this brings us up to the present. I am not going to talk about the year 2000, because I do not believe any one of us is going to be here.

I would like to talk about what is going to happen in 1950. We are going to be faced with this, and there is no use trying to dodge it.

No. 1 is that we are going to take six or seven million acres of land out of cotton. You will hear a lot about cotton from here on out. Of course, we always do. I have listened to this talk all these years, and sometimes I feel as if I have cotton batting in my ears as a result of listening to it. I have tried to be patient, and tried to understand what their problem is. Now, we are going to take some six or seven million acres of land out of cultivation for cotton. I want to yield to any Member of the House to tell me what he is going to do with the people who lived on those six or seven million acres of land in the last few years. What are you going to have them do next year?

Well, they cannot all be census enumerators. But this is not a sectional problem. It is a problem that faces the whole agricultural economy of the country, as well as the economy generally of the country. What is going to happen? What are you going to do with the 11,000,000 acres that are going to be taken out of corn production? What are you going to do with those people? One of my colleagues from Texas told me the other day that they are being told to go into the dairy business. I said you had better not do that, because you fellows are putting people out of the dairy business much faster than you are putting them in.

I said, "You have driven 3,000,000 dairy cows off the farms in the past 5 years." The oleo interests have ruined 10 percent of the American dairy industry right now. No one will dispute that statement. They are waiting for a chance to ruin more. During the last 5 years you have driven a quarter of a mil-

lion dairy farmers off the farms by giving aid and comfort to the oleo interests.

I do not want to talk sectionalism at all. But what is the use of telling these people that they can go into the dairy business when out of the other side of your mouth you are putting them out of the dairy business.

It should be one way or the other.

Then he said, "Well, the powers that be are telling us to go into the poultry business." That sounds nice. It is easy to say, "Go into the poultry business"; but I happen to remember that the day Mr. Hoover was defeated for President, eggs were 20 cents a dozen. I called up the BAE the other day to make sure. They said that that is exactly what the price of eggs was at that time.

In the Midwest they were 20 cents a dozen in November 1932. After 17 years of the more abundant life eggs were selling at 18 and 19 cents a dozen in the Midwest. The egg fellows are not like the steel corporations who can go out and raise the price of their product \$4 a ton. The egg people are sort of sitting around out there waiting for someone from Washington to tell them what they are going to get for eggs.

So surely they cannot go in the egg business.

I do not know what they are going to do with the people that have been producing on that 7,000,000 acres out of cotton. I cannot answer that question. But I am sure that someone in Washington must have the answer. Are they to go on agricultural relief?

I call your attention to the fact that since 1945 the production of milk has decreased 6,000,000,000 pounds. It would take 3,000,000 cows to produce that in the form of butter. That is more than 10 percent of the cows in the United States. That brings me to just exactly what is taking place in another legislative body in the United States.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. JENKINS. Before the gentleman leaves the question of the price of eggs, does the gentleman mean to say that the price of eggs to the farmer is now 18 cents?

Mr. MURRAY of Wisconsin. That is what they were in Iowa in December—18 to 20 cents a dozen.

Mr. JENKINS. I was wondering how general that is. That is a very astonishing thing if it is true, and I am sure that it must be true or the gentleman would not say so.

It is astonishing that in the Midwest eggs are down to 18 cents, whereas you pay 59 to 79 cents a dozen in the stores, or at least in any store that I have ever been in, in the last 2 or 3 months.

No wonder the gentleman is making a speech, if that is the truth about the price of eggs.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GROSS. They dropped to as low as 15 cents a dozen in Nebraska and 18 cents in Iowa.

Mr. MURRAY of Wisconsin. I told my people last year to look out. Hold on to your hats, because I have been here a long time and I know that there is only so much money to go around, and if you are going to keep King Cotton in the style he is used to being kept, it is going to take a lot of money.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. AUGUST H. ANDRESEN. The prevailing market price on large eggs—that is, what the farmer gets—grade A eggs, in our country is 27 cents; and on No. 2 eggs, the straight run of eggs that the farmer brings in, is 20 cents a dozen.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. PERKINS. Going back to the statement you made a few moments ago concerning the Sugar Act, perhaps the gentleman has some information that the Members of this House would like to know about. The gentleman referred to slave labor and so forth. I notice in the Sugar Act of 1948, title III, the conditional payments provision, section C-1, states that—

All persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane, with respect to which an application for payment is made, shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair for public hearing.

In view of that statement embodied in the law, if you know anything about slave labor under this Sugar Act, where farmers are not complying, I think we should know about it.

Mr. MURRAY of Wisconsin. If the gentleman had read the RECORD last year, he would have found a letter from the Department of Agriculture which, under the law, gives this power to the Secretary of Agriculture, just as you have read it. He is a member of the President's Cabinet. That is your administration. If he wants to fix the minimum wage at 25 cents an hour in the Virgin Islands, according to that law, or if he wants to fix it at 29 cents an hour in Puerto Rico, according to that law, or if he wants to fix it in Louisiana at 32 to 38 cents an hour, I would think perhaps that is getting pretty close to slave labor. In the sugar-beet areas of Colorado, Nebraska, and California the minimum wage is from 60 to 65 cents an hour, and there are some who pay 75 cents or more an hour. In the Hawaiian Islands they pay from 72 to 78 cents an hour, so sugar does not need to cost the American people any more. All they have to do is to raise the sugar where it should be raised, and pay them 75 cents an hour. It does not make sense to pass a minimum-wage law that is going to apply only to a few. There is no reason in the world why we should not have 75 cents straight across the board.

You ask me why I did not put that through. I have not taken over here yet. I figure that I will later on, and if I do I will put in that 75 cents every day,

straight across the board, and if I belonged to the gentleman's party I would not be talking about slave labor until I got it in there, either.

Mr. PERKINS. You gentlemen were in control during the Eightieth Congress, and you did not come forward with any proposals like that.

Mr. MURRAY of Wisconsin. If your administration would spend more time in executing the laws that the Congress has passed and less time in telling us what legislation to pass, I am sure the American people would be better off, and so would you.

Mr. PERKINS. Does the gentleman know the prevailing wage that is now being paid in areas where sugarcane is being produced?

Mr. MURRAY of Wisconsin. All I know is what the Department's letter says—from 25 cents per hour up. I also have a newspaper clipping, where there was a group of DP's who came over here and they thought this was the land of milk and honey, and they dropped them down in Louisiana in one of those sugar plantations and all at once they evaporated. They could not find them, because they found they were getting \$2 and some cents a day. In anybody's language, I presume we could say that was getting close to slave labor. So I say you should get that straightened out.

There is nothing personal on my part. I do not raise any cane and I do not want to raise any cane here. I want you to keep your own doorsteps clear and I will keep mine clear. Just to show the little difference it makes, you will remember that all these years the armed services were not supposed to serve oleo; you have been through all that; you Members know about it. It has been a battle. At this last session they passed it. That is one of their greatest contributions. It resulted in the driving of 15,000 more cows down to the stockyards.

Another item I want to see something done about is this filled milk business. We do not know how much filled milk is being produced in the United States.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman.

Mr. PERKINS. Will the gentleman mind telling the House whether or not the Secretary of Agriculture has failed to authorize the prevailing wage in any instance under this Sugar Act of 1948?

Mr. MURRAY of Wisconsin. I did not say that our present Secretary had or had not; I said that according to a letter from the Department of Agriculture a secretary fixed the minimum wage at 25 cents in the Virgin Islands, 29 cents in Puerto Rico, 32 to 38 cents in Louisiana, 45 cents in Florida, 60 to 65 cents in Colorado, Nebraska, and California. I want to be fair about that; there were prerequisites that went along with that. He did not fix the price in the Hawaiian Islands, for there it was fixed by the people themselves at from 72 to 78 cents an hour.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. CURTIS. If the mandatory support price on eggs expired on December 31 why was it that eggs fell to such a low price as has been mentioned here, 15, 18, and 20 cents a dozen early in December?

Mr. MURRAY of Wisconsin. The only reason they did is because the law was not followed; that is all.

Mr. CURTIS. By whom?

Mr. MURRAY of Wisconsin. By whoever had the executive power of the Government to enforce the law. As I say, we have not had enough enforcement of the law in connection with this whole support program. The law should be followed. If the law is that they should be paid 35 cents they should get 35 cents. But they did not get 35 cents. I do not want to be placed in the uncomfortable situation of telling my people that under the law they will get one price and then have those in charge of administering the law allow a different price to be paid.

Mr. CURTIS. Up until the law expired on the last day of December was any discretionary power vested in the Secretary of Agriculture as to whether or not he could withdraw that support?

Mr. MURRAY of Wisconsin. No; the Secretary had the power to do it up until January 1st.

Mr. CURTIS. Did he have power to refrain from doing it?

Mr. MURRAY of Wisconsin. I do not know what you are going to do to him if he did not do it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GROSS. That support price was ordered last August, but if the buyers do not want to buy they do not pay the support price.

Mr. MURRAY of Wisconsin. The farmers have to sell their eggs whether or not they are paid 35 cents a dozen for them or 20.

Mr. GROSS. The farmer had to sell them either to the drying plant or to someone buying for the drying plant.

Mr. MURRAY of Wisconsin. That may be; I cannot settle that.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. SUTTON. The gentlemen from the Committee on Agriculture will remember—

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of order that the gentleman on the other side of the House has not addressed the Chair.

Mr. SUTTON. The gentleman from Michigan failed to hear me.

The gentleman realizes—

Mr. HOFFMAN of Michigan. No. A point of order, Mr. Speaker, that the gentleman should address the Chair.

Mr. SUTTON. Mr. Speaker, if the gentleman will yield to me.

Mr. MURRAY of Wisconsin. I yield.

Mr. SUTTON. The gentleman realizes that in the bill we passed last year we were trying to take care of the farmer in a number of basic products; we were trying to help him.

Mr. MURRAY of Wisconsin. Yes; you surely are going to help him, but I do not want to get off on the Anderson or

Aiken or the Brannan plan now; today I am speaking for the two and a half million dairy farmers in the country. I want to confine myself to that.

Mr. JENSEN. Mr. Speaker, will the gentleman yield while we are on the egg subject?

Mr. MURRAY of Wisconsin. I do not want to get into the egg business. I am in the oleo business.

Mr. JENSEN. I am in the hog business and our hog people are in the same predicament as the egg people and the poultry people. Why? Because in the last agricultural bill you took eggs, poultry, and hogs from under the support price and down they go. Up to January 1 they did not support the price of hogs, and I say the hog business in the State of Iowa is really a big business. We are suffering.

Mr. MURRAY of Wisconsin. Mr. Speaker, now what is the real issue today? The real issue today is whether or not you are going to further destroy the livestock industry of this country. There is no use trying to work both sides of the street. I may be on the wrong side of the street, but I am only on one side anyway. Here is the story, and I wish you would get this. I want to make a statement and I shall yield to anybody to dispute it.

Surely you can sell oleo cheaper than dairy products, but I would like to have someone figure out how many cents a pound oleo is being subsidized? I will yield to anyone to tell you any agricultural product or any food product that is subsidized anywhere near as much as oleomargarine is at this very hour.

It is rather interesting to me to read magazines like Life magazine which has those beautiful pictures in there of oleo. Then you read the editorials. I do not know whether there is any relationship between the editorials and the advertisements or not. But they are always against subsidies. Have you ever noticed that? Here they are, the same ones who are against subsidies, against the farmers having a subsidy, and I could quote a lot of other papers, too, if I wanted to, are opposing these subsidies, yet they are out advocating oleo. Oleo has more of a subsidy per pound than any other food product at this time or any other time. If anyone wishes to correct that statement, I will be glad to have them do so.

Mr. Speaker, I cannot tell you how much oleo is subsidized. You would have to do a lot of research work to determine it. We do know that we produce, as far as our needs in the United States are concerned, something over a billion, 2 billion or 3 or 4 billion pounds of cottonseed oil. The cottonseed oil is rapidly replacing soy-bean oil in oleo. There is twice as much cottonseed oil being used as soy-bean oil in oleo.

If you figure up all of the subsidies there are to cotton, you will find that cotton has more subsidies than the British have traditions. You would have to get the Brookings Institution to look up the figures. Yet I read every day in the papers how much the farmers are getting. I have here one corporation that

on cotton received over a million-dollar subsidy 2 years ago. They sent this to me in confidence and I never betray a confidence, but that corporation received a little more than a million dollars. That is just one corporation. Whether oleo is being subsidized at 10 cents or 50 cents a pound, I cannot say. Of course, you cannot charge it all against the oil. You have to place some of the subsidies on the cotton itself.

I checked up to the past July and I found that we had given away \$600,000,000 worth of cotton. I am not saying that the Commodity Credit Corporation lost that much but I do say that the American taxpayer has lost that amount. I do not want to say whether it is a half-billion dollars a year or not. Now we have a cotton bill on which we are going to have a hearing tomorrow. Mr. Ralph S. Trigg, head of the Commodity Credit Corporation, said that if we pass it we will have to provide funds for 3,000,000 more bales of cotton. Yet we cannot use what we already have. We give it away. Of course, it has been cut in two, and I understand that will mean several millions of dollars. It will be kind of an agricultural WPA, because we are going to have them raise a whole lot of cotton that we do not need. In fact, we do not know what we are going to do with what we have now. They will make it into oleo, I guess.

Let us get back once more to the oleo business.

I do not want this debate to go by without realizing what the issue is. Butter is only a part of the issue. The issue is the infiltration of vegetable oils into the whole dairy industry.

In the other body, in discussing this issue, I notice they are saying, well, Wisconsin does not produce so much butter, which is true, and therefore we should not be interested in it. The point is that the dairy people of Wisconsin know what this issue is. A good example has been filled milk, and that controversy has been going on for 25 years. Filled milk is made by taking out the butterfat. They used to put in coconut oil and call it coconut cow milk. The gentleman from Michigan [Mr. MICHENER] was here when they passed the bill 25 years ago that prevented them shipping it interstate. But, nobody in the Department knows how much they are making, and if they do not follow the law any more than the oleo they give to the armed forces, well, that is just too bad. Incidentally, all the boys I had in my office since I had Rosy there claim that they get the oleo and the officers get the butter. But, I cannot prove that either. But, this filled milk is just another one of the substitutes. They sell it for about 2 cents a can less than evaporated milk. Why, of all of the faked endorsements and advertisements. They tell you or they even try to make you believe that you can rub it on your head and grow hair and tell you what this doctor and that doctor said. Did you ever hear of a doctor telling you to feed that to your babies? There are millions of babies raised on evaporated milk, but did you ever hear of them giv-

ing cottonseed-oil milk to the children? Oh, no. Yet they say that these imitations are just as good as the real thing. Now, the whole dairy industry today is faced with that situation. If it is going to be good public policy to go ahead and follow that line, all well and good.

I listened with interest the other day to our President, your President and my President, and he was talking about the general welfare. I just wondered when he was talking whether it was the kind of general welfare for some international oil monopoly, such as Mr. Luckman, of Lever Bros., heads. Is he particularly interested in the general welfare of that outfit that is really the prime mover of this whole thing? I did not like to think that he was. I wondered if his interest in the general welfare was in the 24 or 25 oleo manufacturers that reaped such enormous profits by taking away the dairy markets during the war and afterward. They had Mr. Luckman help out on that, as you remember. He was down here. The Agricultural Department could not handle this situation, but Mr. Luckman, as I remember it, was the chief chicken shooter. He was not going to let them feed the chickens or eat the eggs, either. What the President really meant, I think, in the bottom of his heart, is that he was thinking about the general welfare of 2,500,000 dairy farmers in this country, and that his thoughts were not just on those 25 or 26 oleo manufacturers, or the Lever Bros.' international vegetable oil cartel, and that he was thinking about the general welfare of all the people.

Then we have Mr. Ewing and all the rest of them tell us about the health of the Nation. We hear it on all occasions. I saw a picture of some girls the other day showing how they would look in the year 2000. I then thought they would not want to pass the oleo bill, because they will be midgets and dwarfs by that time. We are stupid to appropriate money to our universities and agricultural colleges and to spend money in connection with agricultural chemistry if milk is not the greatest food ever known to man. There is not a doubt about it at all. I imagine Mr. Ewing, interested in health legislation, surely is not going to tell us that we should reduce the consumption of dairy products. Milk and its products are protective foods for the grown-ups as well as for the children. Mr. Ewing surely cannot be for more and more oleo and still insist he is for the health of the Nation.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman made reference to Mr. Luckman. I know he is one of the great financiers of this international corporation, Lever Brothers. I understand that Mr. Luckman is also chairman of the Jackson Day dinners down here. They expect 4,000 people to come there and pay \$100 a plate for their food. I am reliably informed that Mr. Luckman intends to serve oleomargarine instead of butter at the Jackson Day dinner. That oleomargarine is made by his company, as the gentleman knows. Lever Bros.

is one of the large producers of oleomargarine. Has the gentleman any opinion on that, or has he heard that Mr. Luckman may serve Jelke's, or Lever Brothers' oleomargarine at that \$100-a-plate Jackson Day dinner, as a special treat to those who contribute the \$100?

Mr. MURRAY of Wisconsin. Mr. Luckman has not taken that matter up with me, but if he had, I would have asked him if it is not true that they are just taking these southerners, the cotton boys, along for a little ride.

There is one thing I will say for the Washington News editorials. I hand it to that paper as far as their news articles are concerned. They have always been against the dairy side in their editorials, but their news articles have always been fair on this subject. I noted a reference in that paper about imports of vegetable oils.

They are building a big oleo plant out in California. Coconut oil is nearer butterfat than any other vegetable oil. There is no argument about that. I just wondered what our good cottonseed friends are going to say when we roll in the coconut oil from the Philippines or wherever they get it from. If they start rolling that in they can make oleo cheaper than they can make it out of domestic oils. At the same time, we are not going to be appropriating as much money to the cottonseed people and to the soybean people as we have been. The soybeans are just a war baby, anyway. They have had plenty of subsidy, probably just as much as the cottonseed oil. I did not have time to get at all the figures, and I do not know whether it is 10 cents or 50 cents a pound on the oil that would have to be charged up against that product.

I believe that the Congressmen from the five States of North Carolina, Tennessee, Kentucky, Mississippi, and Alabama in 5 years from today will be in the camp of the people that really believe in the dairy industry, because they can see the handwriting on the wall. As they develop industrially they create a local demand for dairy products. They know that a few big western cotton people would gladly put them out of business. If we did not produce any more cotton than we needed in the United States, we would have to cut the acreage in two this year to say nothing about the big cut you hear about on the floor every day and will hear more about as time goes on.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. RICH. My colleague from Minnesota spoke about the \$100-a-plate Jackson Day dinner they are going to have down here at the Armory. I wonder whether the Republicans, when we have our Lincoln Day dinner at a dollar a plate at Uline's Arena, are going to have butter. I think we are. I think if we can have butter at a dollar a plate, the Democrats ought to have 100 butters for \$100.

Mr. MURRAY of Wisconsin. I do not want to get into the political angle of this thing. This is a serious business. I want to point out to you another example of the infiltration of these vege-

table oils. Take the oleo ice cream that is being made now. That is just one more phase of this. That will eliminate just that many more cows. We will not need 25,000,000 dairy cows in this country if this keeps up. Three million dairy cows have been sent to the slaughterhouse already. That is more than 10 percent of the dairy cows. Remember much of this reduction took place in a very short period of time.

So, just let that Poage-Fulbright bill go through. Then, consider No. 4. Here is another situation. Some of the Members have been on congressional committees that have gone to Tokyo. I have talked with some of the Members who were out there and drank the oleo bottled milk. It was amusing to me when we had the bill up here to hear some people say it is all right to eat oleo as long as you drink plenty of milk. You did not know you were going to get in the same trap. Some of the Members voted that way. I have had a good deal of trouble from my colleagues on my side.

In Washington today there are fellows who are yelling about subsidy, subsidy, subsidy, and yet they support the largest agricultural subsidy that any commodity gets. It is the oleo subsidy. It is a serious business when you stop to think of it. What happened during the last fiscal year? We imported over half a million head of cattle for their beef. Yes, the dairy industry furnishes over 40 percent of the beef and veal of the Nation. We should save the dairy industry while we still can do so. We should cooperate with the FAO and establish a world food organization. We should do our own thinking and not be misled by any highly financed propaganda that complains about farm subsidies and then advocates oleo which is the most highly subsidized article of food on the markets of our country.

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

MEETING OF COMMITTEE ON AGRICULTURE ON COTTON-ACREAGE BILL

The SPEAKER pro tempore (Mr. WHITE of California). The Chair wishes to announce, at the request of the distinguished gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, that on Wednesday, January 11, at 10 a. m., in room 1310, New House Office Building, there will be a meeting of the Subcommittee on Cotton of the Committee on Agriculture, for the purpose of considering House Joint Resolution 384, designed to correct alleged inequities in the cotton-acreage bill recently passed. All Members of the House are invited to participate.

EXTENSION OF REMARKS

Mr. TALLE asked and was given permission to extend his remarks in the RECORD and include a letter addressed to him, and also a newspaper editorial.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CANNON] is recognized for 15 minutes.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the consular convention, with an accompanying protocol of signature, between the United States of America and the United Kingdom of Great Britain and Northern Ireland, signed at Washington on February 16, 1949, and an exchange of notes dated October 12, 1949, relating to the nonapplication of the convention to Newfoundland and Newfoundland citizens.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 9, 1950.

(Enclosures: (1) Report of the Secretary of State; (2) consular convention with the United Kingdom; (3) protocol of signature accompanying the convention; (4) exchange of notes.)

PROTOCOL AMENDING INTERNATIONAL AGREEMENT FOR SUPPRESSION OF WHITE SLAVE TRAFFIC—REMOVAL OF INJUNCTION OF SECRECY

Mr. CONNALLY. Mr. President, as in executive session, I ask unanimous consent that the Senate remove the ban of secrecy with regard to the protocol amending the international agreement for the suppression of the white slave traffic, Executive B, Eighty-first Congress, second session, which was sent to the Senate today.

The VICE PRESIDENT. Without objection, the ban of secrecy is removed from the protocol, and the protocol, together with the President's message of transmittal, will be referred to the Committee on Foreign Relations; and the President's message will be printed in the RECORD. The Chair hears no objection.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol amending the international agreement for the suppression of the white slave traffic signed at Paris on May 18, 1904, and the international convention for the suppression of the white slave traffic signed at Paris on May 4, 1910.

The protocol was opened for signature at Lake Success, N. Y., on May 4, 1949, and was signed on behalf of the United States of America on that date. Its object is the transfer to the United Nations of the functions exercised by the French Government under the 1904 agreement and 1910 convention.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State regarding the protocol, and a copy, in English translation, of the annex to the protocol.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 9, 1950.

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of protocol; (3) copy of annex in English translation.)

PROTOCOL AMENDING AGREEMENT FOR SUPPRESSION OF CIRCULATION OF OBSCENE PUBLICATIONS—REMOVAL OF INJUNCTION OF SECRECY

Mr. CONNALLY. Mr. President, as in executive session, I ask unanimous consent that the Senate remove the ban of secrecy with regard to the protocol amending the agreement for the suppression of the circulation of obscene publications, Executive C, Eighty-first Congress, second session, which was sent to the Senate today.

The VICE PRESIDENT. Without objection, the ban of secrecy is removed from the protocol, and the protocol, together with the President's message of transmittal, will be referred to the Committee on Foreign Relations; and the President's message will be printed in the RECORD. The Chair hears no objection.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol amending the agreement for the suppression of the circulation of obscene publications signed at Paris on May 4, 1910.

The protocol was opened for signature at Lake Success, N. Y., on May 4, 1949, and was signed on behalf of the United States of America on that date. Its object is the transfer to the United Nations of the functions exercised by the French Government under the agreement of May 4, 1910.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State regarding the protocol, and a copy, in English translation, of the annex to the protocol.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 9, 1950.

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of protocol; (3) copy of annex in English translation.)

ADDRESS BY THE PRESIDENT AT THE SAMUEL GOMPERS CENTENNIAL DINNER

[Mr. NEELY asked and obtained leave to have printed in the RECORD the address delivered by the President at the Samuel Gompers centennial dinner, Hotel Statler, Washington, D. C., January 5, 1950, which appears in the Appendix.]

ADDRESS BY THE VICE PRESIDENT AT THE SAMUEL GOMPERS CENTENNIAL DINNER

[Mr. NEELY asked and obtained leave to have printed in the RECORD the address delivered by the Vice President at the Samuel Gompers centennial dinner held in Washington, D. C., January 5, 1950, which appears in the Appendix.]

RECOGNITION OF COMMUNISTS IN CHINA—EDITORIAL FROM THE GREENVILLE (S. C.) NEWS

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "We Needn't Follow Britain," from the Greenville (S. C.) News of January 7, 1950, which appears in the Appendix.]

THE PROBLEM OF FEDERAL GRANTS-IN-AID AND FEDERAL TAXES

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Independence of State Agencies Is

Shrinking Under Federal Authority," written by John Wyngaard and published in the Janesville (Wis.) Daily Gazette of January 6, 1950, and an article entitled "Federal Hand-Outs Tangle Tax Picture," written by Sanford Goltz and published in the Wisconsin State Journal of recent date, which appear in the Appendix.]

LOBBYING MONEY—ARTICLE BY JOSEPH HARSCH

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Lobbying Money," written by Joseph Harsch, published in the Christian Science Monitor, and republished in the Leader, of Bismarck, N. Dak., which appears in the Appendix.]

HOW FALSEHOODS SPREAD—EDITORIAL FROM THE BISMARCK LEADER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "How Falsehoods Spread," published in the Leader, of Bismarck, N. Dak., January 5, 1950, which appears in the Appendix.]

GOVERNMENT EXPENDITURES—ARTICLE FROM THE READER'S DIGEST

[Mr. KEM asked and obtained leave to have printed in the RECORD an article from the Reader's Digest relating to Government expenditures, which appears in the Appendix.]

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. SMITH of New Jersey obtained the floor.

Mr. HENDRICKSON. Mr. President, will my colleague yield to me?

Mr. SMITH of New Jersey. I yield.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Let the Chair first state the question before the Senate. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. McCARTHY], inserting certain language after line 10, on page 4 of the House bill 2023.

The Senator from New Jersey has the floor and yields to his colleague the junior Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Magnuson
Anderson	Hendrickson	Martin
Benton	Hickenlooper	Maybank
Brewster	Hill	Morse
Butler	Hoey	Murray
Byrd	Holland	Neely
Cain	Humphrey	Robertson
Capehart	Hunt	Russell
Chapman	Ives	Saltonstall
Connally	Jenner	Schoeppel
Cordon	Johnson, Tex.	Smith, N. J.
Darby	Johnston, S. C.	Sparkman
Donnell	Kefauver	Stennis
Douglas	Kem	Taft
Downey	Kerr	Taylor
Dworshak	Kilgore	Thomas, Okla.
Eastland	Knowland	Thomas, Utah
Eaton	Langer	Thye
Ellender	Leahy	Tobey
Ferguson	Lehman	Tydings
Flanders	Lodge	Vandenberg
Frear	Long	Watkins
Fulbright	Lucas	Wherry
George	McCarran	Wiley
Gillette	McCarthy	Williams
Graham	McFarland	Young
Green	McKellar	
Gurney	McMahon	

The PRESIDING OFFICER. A quorum is present.

AMERICAN FOREIGN POLICY IN
THE FAR EAST

Mr. SMITH of New Jersey. Mr. President, I desire to take this occasion to report personally to my colleagues on my recent trip to the Far East and to make certain observations on conditions as I found them there and certain recommendations for consideration in the development of a sound far-eastern foreign policy. I am aware there are some matters I shall bring up that may be controversial, and my colleagues may wish to interrupt. I am going to request that I not be interrupted until after I have finished my address, at which time I shall be more than happy to answer questions of my colleagues.

My distinguished colleague the Senator from California [Mr. KNOWLAND] made a memorable address on the floor of the Senate last Thursday, in which he reviewed in some detail the developments leading up to the present debacle in China and pointed out what seemed to him, and I may add to a number of other Members of the Senate, to be the mistakes of policy, or, perhaps better stated, the lack of policy, of the administration in the far-eastern situation.

While I have been one of the severe critics of the administration on far-eastern policy, it is not my purpose in my remarks today to take the critical side, except, incidentally, as it may be relevant in making my points in my effort to develop a positive program. At the moment I am not interested in the answer to the question as to who has been wrong in this controversy, but I am profoundly interested in what may be the right answer to the legitimate question pressing us on all sides as to our future course and policy in the Far East if we are to stop the creeping paralysis of communism in that area.

It was because of my complete feeling of frustration after studying the China white paper, and after discovering the wide divergence of opinion among experts whom I had consulted, that I felt the urge, as a member of the Foreign Relations Committee of the Senate, to go in person as soon as possible to the area affected and to get the "feel" of the situation on the ground. With the unanimous consent of the Senate, which I asked for and received on September 9, I made my plans to go to Japan first, after checking with General MacArthur and receiving his invitation to come. Mrs. Smith and I visited Japan, Okinawa, the Philippines, Hong Kong, Korea, Formosa, and on our flight home the island of Guam, the trustee islands in the Pacific, and the Hawaiian Islands.

During this trip we interviewed many people, including the United States high command—military, naval, and air; our State Department officials—Ambassadors, consuls, and their staffs; native Japanese, Filipinos, Chinese, Koreans, and the inhabitants of the various islands. We also had the privilege of interviewing many Americans and British who for years have been living in these areas.

Immediately upon my return, which was about the end of October, and before I had had time to prepare my report to my committee in detail, I endeavored to contact the Secretary of State, Mr. Acheson, in order to make my recommendations directly to him. Of course, as we know, he at that time was about to start for his important conferences in Paris, and although he could not see me, he expressed interest in my trip, and at his suggestion I sent him a preliminary memorandum in the form of a letter to take with him on his journey to Paris, which contained two vitally important recommendations which I felt I should make immediately to the Department of State and to my committee.

That letter is dated November 4. I again want to emphasize the date. It was the first communication I made to anybody on the subject of my trip. I ask unanimous consent that this first communication to the Secretary of State after my return be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 4, 1949.

HON. DEAN ACHESON,
Secretary of State,
Department of State,
Washington, D. C.

DEAR DEAN: I had hoped to see you before this to have a chance to talk to you personally about my experience in the Far East. I see by the papers this morning that you may be called suddenly to Paris for a conference with the British and French on policies generally, and therefore the chances of my seeing you before you return do not appear to be too bright. I realize the pressure you are under and want to send you my very best wishes as you undertake these important deliberations.

There are just two matters I wanted particularly to emphasize in my talk with you and I can state them in this letter, with the hope that I can elaborate my reasons at a later date:

1. I am strongly of the conviction that under no conditions should we recognize the Chinese Communist government at this time, and furthermore I hope it will be possible for you with your eloquence and diplomacy to persuade the British not to do so. Whether or not it ultimately has to be done remains to be seen, but I think it would be tragically fatal at the moment. From my talks with the British authorities in Hong Kong, I was convinced that they were thinking exclusively in terms of (a) defense of Hong Kong, or at any cost retaining it in British possession, and (b) the pressure of their commercial interests in Shanghai and Hong Kong to recognize the Commies, so that traditional British trade can go on as before.

I was also impressed, however, with the argument from the British that they felt whatever stand was taken should be taken with the United States and not apart from the United States. I feel, therefore, that our strong stand against recognition would have a weighty effect upon the British position. In any event, however, I urge that we do not make the mistake, as I see it, of recognizing the Chinese Communist government at this time. Many things can happen in the next few months.

2. The second important conviction that came to me from my trip was that under no conditions should we let Formosa fall into the hands of the Chinese Communists or under the domination of Russia. This, of course, presents a very difficult question, and it is problematical whether the Nationalist Government could defend Formosa without

further aid from us. From the standpoint of our own national security, however, I was convinced from my visit on the ground and getting the feel of our strategical island bases that the occupation of Formosa by hostile forces would definitely threaten our security. I did not arrive at this conclusion from any strategical knowledge of my own, which I make no claim to, but from the insistence of our military and naval forces wherever I went that this was a very dangerous issue and that we could not afford to pass it up.

Without raising the question of whether or not we should back up the Nationalist forces in their defense, the feeling seems to be among many of our people in Japan and in other places that in light of the fact that the peace treaty has not as yet been signed with Japan, Formosa today is technically part of Japan, even though because of the Cairo agreement we permitted the Nationalists to take it over. If we can still take the position that technically it is part of Japan, and that as we are occupying Japan we have a responsibility for all Japanese possessions, we could, I believe, perfectly consistently take it over by our occupancy, with notice to the UN that it might be made a trusteeship area. This should be done in collaboration with the Nationalist Government that is there and with the Taiwan people themselves, who I believe would be anxious to have us take such a step. If this were done, the Chinese Communists would be faced with the responsibility of attacking the United States if they attacked Formosa under these conditions.

I am sending you this line at this time because of your contemplated trip to Europe, and as a member of the Foreign Relations Committee of the United States Senate, who feels he has a personal responsibility to express to our representative his convictions on these important points. I am working now on a more complete report to my committee, based on my observations, and to you as Secretary of State.

With kindest personal regards and assurances to you of my eagerness to work these problems out on a completely cooperative basis, having in mind the legislative as well as the executive responsibilities of all of us, I remain,

Always cordially yours,
H. ALEXANDER SMITH,
United States Senator.

Mr. SMITH of New Jersey. In this letter I made two points which I shall develop later—first, the importance of nonrecognition of Communist China and of efforts to prevail on the British to join us in that course; and second, the strategic importance of preventing Communist seizure of Formosa.

Shortly thereafter the discussion of the far-eastern situation became very prominent in the public press. In light of the special interest that had arisen with regard to the Formosa problem especially, I wrote to the Secretary of State, Mr. Acheson, under date of December 27—and I again emphasize the date, December 27—submitting to him some further suggestions. These will appear later in this address.

Mr. President, at this point I desire to comment on certain parts of the report which I made to the Foreign Relations Committee, and copies of which went to the Secretary of State and others in the State Department concerned with far-eastern affairs. I ask unanimous consent that there appear in the RECORD at the conclusion of my address the full text of this report with the letter of

loopholes, published in the Denver Post for December 20, 1949, entitled "Tax Loopholes Drain Our Business Strength." I ask unanimous consent to have it printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX LOOPHOLES DRAIN OUR BUSINESS STRENGTH

We again are being told that Congress is about to resurvey the whole question of Federal taxation with a view to plugging the loopholes through which billions of dollars of income are escaping taxes each year.

Since 1943, when Congress first showed a genuine interest in the question of legal tax-dodging, we have been told the same thing many times. We can only hope that this time it really is true. The growth of tax-exempt business in recent years has been phenomenal. It has put an added and unfair burden on competing businesses which do not enjoy exemptions. Coupled with the system of double taxation on business profits, it constitutes a growing threat to national welfare.

Tax loopholes are of many kinds. A number of them arise from a section of Federal law which excepts from income taxes the net income of various corporations, funds, and foundations operated for religious, charitable, scientific, and educational purposes.

The original intention of that provision was laudable enough but in recent years that special exemption has come to cover many activities not originally contemplated. For example, many businesses ranging from department stores to piston-ring-manufacturing companies now are owned nominally by colleges and universities.

Supposedly the tax-exempt incomes from those businesses is to go for educational purposes. Actually, the colleges and universities may receive some income from those sources but by escaping Federal taxes those companies often are able to lay aside large amounts for plant expansion and are able to pay handsome salaries to their executives. Competition from such tax-exempt firms is difficult for purely commercial tax-paying companies to meet.

Some churches also own businesses now and the number of private foundations and trusts which support various charitable and scientific endeavors in order to escape taxes and pay good-sized salaries has increased by leaps and bounds.

Cooperatives and labor unions control other businesses, ranging all the way from oil wells to retail stores, which enjoy a tax-free income of more than \$10,000,000,000 a year, an income gained in competition with tax-paying businesses.

Still another loophole—created by a tax formula adopted in 1943—has made it possible for insurance companies to escape taxes on about \$4,500,000,000 worth of earnings on such things as real estate in the last 3 years.

In these times of high taxes, when legitimate business is having difficulty finding the money for needed expansions, a heavy obligation rests on Government to see that taxes are distributed fairly and justly.

Experts vary in their estimates of the amount which might be collected if all tax loopholes were plugged. The estimates run from \$1,000,000,000 a year upward. It is high time for Congress to tackle this problem seriously regardless of whose toes may be trampled.

Mr. MORSE. Mr. President, here is a way to save money. I do not know whether the estimates of possible savings are accurate. I have no way of knowing. I have read estimates from reliable sources, from Government officials who have testified before our Appropriations Committee in times gone by, when they wanted more appropriations for more personnel in the tax-collecting divisions of the Government. Some of these witnesses have told us there is a great amount of tax evasion in this country. Some of the estimates, Mr. President, run from one billion to two billions of dollars which could be collected if we paid more attention to providing more adequate machinery for the collection of taxes due this Government.

I say, Mr. President, that the Republican Party ought to make it one of its planks of policy that it is unalterably opposed to any form of tax evasion, and that it stands for the strictest administration of existing tax laws. If the Government would crack down on all kinds of tax evasion we would find a great saving could be accomplished thereby. As much possibly, as two billion dollars could be saved if we collected all the taxes due the Government.

I close, Mr. President, by saying that here is an opportunity for the Republican Party to take a constructive, affirmative stand so that no one in respect to the tax, at least, would have any justification for saying, "Well, I should like to vote for the Republican Party, because I think we need a change of administration in Washington, but I just do not know what the party stands for."

In the Eighty-first Congress let us, by legislative action, Mr. President, make very clear to the American voters exactly what we stand for in terms of specific proposals in connection with each one of the great issues confronting the American people.

I have spoken this afternoon only on the tax issue, but as the session proceeds I intend to suggest to the Republican Party some other specific programs and proposals which should be adopted into law. We cannot afford to let the Eighty-first Congress close its session without having written on the floor of the United States Senate a specific legislative program on each one of the great

issues which confront the American people. I suggest that a good place to start is with the tax program of the Committee for Economic Development. I repeat my question to the Democrats. "What is wrong with that program?"

To the Republicans I say, let us get busy and support it in the Senate of the United States. The people want action in bringing about economy—not just talk about economy. If the Republican Party in the Congress, if we Republicans who are on the firing line in this session of Congress will give the people some action by doing our best to get the Congress to adopt a sound tax-revision and budget program as recommended by the Committee for Economic Development we will provide part of the answer to the question, "What does the Republican Party stand for?" Then if we will offer equally sound proposals on each of the other issues facing the American people we will not have to worry about which party will win in the 1950 elections. I think it is up to us. I think the Republican Party can and must meet this great political challenge.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. FULBRIGHT. Mr. President, I merely wish to observe at this point that the senior Senator from Wisconsin [Mr. WILEY] did not speak today, as he intimated on last Friday he would speak, on the oleomargarine bill. I am very interested in hearing what he has to say about that bill, and I hope he will find it possible to speak on it tomorrow.

Mr. LUCAS. Mr. President, the junior Senator from Minnesota [Mr. HUMPHREY] has been attempting all day long to obtain the floor to discuss the unfinished business, the oleomargarine measure. I ask unanimous consent that when the Senate convenes tomorrow the Senator from Minnesota may be recognized by the occupant of the chair at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. FULBRIGHT. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 58 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, January 10, 1950, at 12 o'clock meridian.

81ST CONGRESS
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 9 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER (for himself and Mr. McCARTHY) to the Wiley substitute to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: At the proper place in the bill insert the following:

1 SEC. . (a) Effective on and after the first day of the
2 first month which begins more than twenty days after the
3 date of enactment of this Act—

4 (1) the tax imposed by section 1700 (a) of the
5 Internal Revenue Code (tax on admissions) ;

6 (2) the tax imposed by section 3406 (a) (10) of
7 such code (tax on electric light bulbs and tubes) ;

8 (3) the tax imposed by section 2400 of such code
9 (tax on jewelry) ;

1 (4) the tax imposed by section 2401 of such code
2 (tax on furs) ;

3 (5) the tax imposed by section 2402 of such code
4 (tax on toilet preparations) ;

5 (6) the tax imposed by section 3465 (a) of such
6 code (taxes on telegraph, telephone, radio, and cable
7 facilities) ; and

8 (7) the taxes imposed by section 3469 of such
9 code (taxes on transportation of persons, and on seat-
10 ing or sleeping accommodations in connection with such
11 transportation) ;

12 shall be determined without regard to the war tax rates speci-
13 fied in section 1650 of such code.

14 (b) Effective on and after the first day of the first
15 month which begins more than twenty days after the date
16 of enactment of this Act, section 1651 of the Internal Rev-
17 enue Code (retailers' excise tax on luggage, purses, hand-
18 bags, toilet cases, etc.) is hereby repealed.

19 (c) Effective on and after the first day of the first
20 month which begins more than twenty days after the date
21 of enactment of this Act, section 3406 (a) (4) of the
22 Internal Revenue Code (manufacturers' excise tax on photo-
23 graphic apparatus) is hereby amended by striking out "25
24 per centum" and inserting in lieu thereof "10 per centum",

1 and by striking out "15 per centum" and inserting in lieu
2 thereof "10 per centum".

3 (d) For the purposes of section 1657 of the Internal
4 Revenue Code (relating to floor stocks refunds on electric
5 light bulbs) and of section 1658 of such code (relating to
6 the application of the effective date of rate reduction in the
7 case of telephone, telegraph, etc., services) the term "rate
8 reduction date" means the first day of the first month which
9 begins more than twenty days after the date of enactment
10 of this Act.

AMENDMENT

Intended to be proposed by Mr. BUTLER (for himself and Mr. McCARTHY) to the WILEY substitute to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 9 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

Vol. 96

WASHINGTON, TUESDAY, JANUARY 10, 1950

No. 6

House of Representatives

The House was not in session today. Its next meeting will be held on Thursday, January 12, 1950, at 12 o'clock noon.

Senate

TUESDAY, JANUARY 10, 1950

(Legislative day of Wednesday, January 4, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, we turn to Thee from the perplexities and uncertainties which daily beset us, and bewildered by the confusion of the world we pray for relief from disquieting, cowardly fears. Lead us past all shams and subterfuges to Thyself. Our littleness needs Thy greatness. Our weakness needs Thy strength.

Grant this dear land of liberty in hours that are heavy with crisis the strength of purpose to do justly and to love mercy. Save us from self-interest and self-righteousness, and make us the true servants of Thy will in this troubled time. We ask it in the Redeemer's name. Amen.

ATTENDANCE OF SENATORS

STYLES BRIDGES, a Senator from the State of New Hampshire, and MARGARET CHASE SMITH, a Senator from the State of Maine, appeared in their seats today.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 9, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE SESSION DURING SENATE SESSION

On request of Mr. FULBRIGHT, and by unanimous consent, the Committee on Foreign Relations was authorized to sit during the session of the Senate this afternoon.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Green	Magnuson
Anderson	Gurney	Maybank
Benton	Hayden	Morse
Brewster	Hendrickson	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	O'Connor
Butler	Holland	Robertson
Byrd	Humphrey	Russell
Cain	Hunt	Saltonstall
Capehart	Ives	Schoeppel
Chapman	Jenner	Smith, Maine
Connally	Johnson, Tex.	Smith, N. J.
Cordon	Johnston, S. C.	Sparkman
Darby	Kefauver	Stennis
Donnell	Kem	Taft
Douglas	Kilgore	Taylor
Downey	Knowland	Thomas, Okla.
Dworschak	Langer	Thomas, Utah
Eastland	Leahy	Thye
Ecton	Lehman	Tobey
Ellender	Lodge	Tydings
Ferguson	Long	Vandenberg
Flanders	Lucas	Watkins
Frear	McCarran	Wherry
Fulbright	McCarthy	Wiley
George	McFarland	Williams
Gillette	McKellar	Young
Graham	McMahon	

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from North Carolina [Mr. HOEY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on public business.

The Senator from Colorado [Mr. JOHNSON] and the Senator from Kentucky [Mr. WITHERS] are absent on official business.

The Senator from Arkansas [Mr. McCLELLAN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Pennsylvania [Mr. MYERS] is necessarily absent.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. MUNDT] is necessarily absent.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate on official business of the Committee on Public Works.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The VICE PRESIDENT. A quorum is present.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The VICE PRESIDENT. Under the order of the Senate of yesterday, the Senator from Minnesota [Mr. HUMPHREY] is entitled to the floor.

The pending question is the amendment offered by the Senator from Wisconsin [Mr. MCCARTHY] to the original bill, but not to the substitute.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, before the Senator from Minnesota [Mr. HUMPHREY] commences his address upon the pending measure, I ask unanimous consent that Senators be permitted to in-

introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the body of the RECORD and for the Appendix, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF WAR CLAIMS ACT OF 1948

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the War Claims Commission, transmitting a draft of proposed legislation to amend the War Claims Act of 1948, as amended, which, with the accompanying paper, was referred to the Committee on the Judiciary.

HOOVER COMMISSION REPORT ON EDUCATION—LETTER FROM EDGAR FULLER TO JAMES B. CONANT

Mr. HUNT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, and referred to the appropriate committee, a letter addressed to President James B. Conant, chairman, schools and university committee, Citizens Committee for the Hoover Report, from Edgar Fuller, executive secretary of the National Council of Chief State School Officers, Washington, D. C., relating to the Hoover Commission report on education.

There being no objection, the letter was referred to the Committee on Expenditures in the Executive Departments and ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF CHIEF
STATE SCHOOL OFFICERS,
Washington, D. C., December 27, 1949.
President JAMES B. CONANT,
Chairman, Schools and University Committee,
Citizens Committee for the Hoover Report, Cambridge, Mass.

DEAR PRESIDENT CONANT: The Hoover Commission report on education is startling and disappointing. Without discussion, it dogmatically reverses the principal recommendations of its own excellent task force on education, this council, the National Education Association, the American Association of School Administrators, and most other professional groups and individual educators. It also does violence to the views of the great majority of citizens who believe in the American practice of keeping local, State, and Federal educational agencies politically nonpartisan.

The Commission's recommendation that the Federal agency for education be subjected completely to the executive orders of a political officer, the proposed Secretary of Welfare, violates our national principles and ignores our national experience in education. This would eliminate the already inadequate professional freedom of the United States Commissioner of Education and of the professional educators in the Office of Education. It would open the way for a measure of political domination of education and thought control approaching that by which Hitler and Stalin built their dictatorships. It would inaugurate a new pattern of Federal educational government, similar to politically controlled systems in foreign countries few Americans care to imitate. We believe the educational system developed in the United States is better for a democracy.

Another dogmatism, again without reasons given, resignedly suggests that educational functions must continue to be scattered throughout the noneducational executive branches of the Federal Government, without reference to its educational agency.

It is difficult to believe the Hoover Commission considered these matters thoroughly. Two members of the Commission led the successful effort to defeat Reorganization Plan No. 1 in the Senate last August. Plan 1 would have done for education exactly what the Commission recommended; it would have created a new Department of Welfare with complete absorption of the United States Office of Education. It is true that organization of Federal medical services was the major issue of the debate, but the fundamental issue of educational freedom from partisan political control was also emphasized by these two members of the Commission as well as by numerous other Senators.

There are other reasons to believe that the Commission was too greatly influenced in its recommendations on education by a small minority of its membership. One member has vehemently favored subordination of education to partisan political government at all levels, including appointment of local superintendents of schools by municipal officials rather than by nonpartisan school boards, while others have seemed almost unaware of the educational issues in the report.

Certain divisions of the Citizens Committee on the Hoover Report have attempted to convince Congress and the public that acceptance of the report must be on an all-or-none basis. Any questioning on any detail raises the cry that the omnipotence and infallibility of the Commission must not be doubted and brings the charge that "everyone believes in economy and efficiency in government until he is affected." In the case of education, economy and efficiency are to be found in the direction opposite from that urged by the Commission. We hope this all-or-none approach will not be tolerated by your Committee on Schools and Universities.

The cavalier treatment of education by the Commission will be increasingly resented both by the public and by professional educators as the facts become known. We intend to make them known and hope for your assistance. The terrible mistakes of the Commission in this field must not be uncritically swept into law along with others of its proposals. We hope you will use your great influence, as a friend of our American system of education, to defeat all recommendations of the Commission concerning education except that leading to transfer of the education functions of the Bureau of Indian Affairs to the United States Office of Education.

With highest personal regards, I am,
Sincerely,

EDGAR FULLER,
Executive Secretary.

OLEOMARGARINE AND BUTTER—LETTER FROM WILLIAM J. MURPHY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me by William J. Murphy, dairy commissioner of the State of North Dakota, dealing with the subject of oleomargarine and butter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH DAKOTA,
Bismarck, N. Dak., January 6, 1950.
Hon. WILLIAM LANGER,
The Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am again asking for your help in behalf of the dairy farmers of North Dakota. The oleomargarine bill is before the Senate for debate, but I would first like to express the appreciation of the dairy farmers of North Dakota for the assistance you have given us during previous sessions of Congress on this controversial issue.

If the oleomargarine bill is passed as is recommended by the Senate committee with all restrictions removed as to licenses and taxes on the colored product without any safeguards set up to protect the consumers against the fraudulent sale of oleomargarine, colored and sold as butter, and to protect our entire national dairy industry; it will certainly mean a necessary curtailment in dairy farming.

North Dakota, as one of the major butter-producing States, is vitally interested in this issue; and when, in trying to promote the expansion of dairying in our State, we are met with the question by our dairy farmers as to what will happen to our butter industry if we are forced to meet competition with the unrestricted sale of oleomargarine colored to resemble butter.

As you probably know, all of the major dairy organizations in the Nation are in favor of a repeal of all licenses and taxes on margarines providing that safeguards are put into the bill making it illegal to color the product to resemble butter.

One of the largest manufacturers of oleomargarine, Lever Bros., as a plaintiff in a court case against one of their competitors, won a decision, which in effect stated that no other soap company could make a bar of soap colored red to resemble their Lifebuoy soap.

In a recent court case brought by the Food and Drug Administration against a soft-drink manufacturer, the court ruled that synthetic orange color and flavor could not be added to a soft drink, as such addition would, in effect, make the soft drink appear to be a more valuable product than it really was.

Through the years that we have had this controversial issue before Congress, we believe that it has been pretty well established that the only reason the oleomargarine people have for using the yellow coloring of butter, is to make it as nearly like butter as possible in order to fool the public.

Some oleo manufacturers are at the present time using dairy terms on their cartons, such as Grade A or Grade AA, which terms are used by the Federal Government in establishing grades on butter.

Speaking for the dairy farmer living in North Dakota, I would like to state that we would appreciate very much, anything you can do to prevent the wrecking of our North Dakota butter industry.

Thanking you again for your past efforts and assuring you that all of our farmers will appreciate anything you can do for them, I am,

Sincerely yours,
WM. J. MURPHY,
Dairy Commissioner.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHERRY:

S. 2813. A bill for the relief of certain Mexican aliens; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2814. A bill for the relief of Mir Abdul (Meer Afsar); and

S. 2815. A bill for the relief of Ali Washid; to the Committee on the Judiciary.

By Mr. YOUNG (for himself and Mr. LANGER):

S. 2816. A bill to provide for the designation of the Heart-Butte dam and reservoir project in Morton County, N. Dak., as the Tschida Reservoir and Dam; to the Committee on Interior and Insular Affairs.

By Mr. WILLIAMS:

S. 2817. A bill for the relief of Dr. C. A. Schenck; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2818. A bill for the relief of Mariella Ripiesi; to the Committee on the Judiciary.

By Mr. GREEN (for himself and Mr. LEAHY):

S. 2819. A bill to provide for an unemployment reinsurance fund; to the Committee on Finance.

By Mr. SMITH of New Jersey:

S. 2820. A bill for the relief of Marie Neubert; to the Committee on the Judiciary.

(Mr. FLANDERS introduced Senate bill 2821, relating to the compensation of employees of the Senate and House of Representatives, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

(Mr. MAYBANK introduced Senate bill 2822, to amend the Federal Deposit Insurance Law (U. S. C., title 12, sec. 264), which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. LEHMAN:

S. 2823. A bill to liberalize the loan provisions in the Water Pollution Control Act; to the Committee on Public Works.

By Mr. LUCAS (for Mr. MYERS):

S. 2824. A bill for the relief of Tannous Estephan; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 2825. A bill to provide for the promotion of employees in the postal field service to meritorious and longevity salary grades; to the Committee on Post Office and Civil Service.

By Mr. THOMAS of Oklahoma:

S. 2826. A bill to increase the borrowing power of Commodity Credit Corporation; to the Committee on Agriculture and Forestry.

By Mr. RUSSELL:

S. 2827. A bill for the relief of certain Italian aliens; to the Committee on the Judiciary.

By Mr. GEORGE (by request):

S. 2828. A bill to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines; to the Committee on Finance.

OPERATION OF FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to amend section 12B of the Federal Reserve Act, which deals with the operation of the Federal Deposit Insurance Corporation. The bill is the result of long and careful study by members of the staff of the Senate Committee on Banking and Currency, assisted by representatives of the Federal Deposit Insurance Corporation and the Secretary of the Treasury. Generally speaking, it provides for certain technical changes in the law which have been shown to be desirable in its administration during the 16 years of the Corporation's activities.

However, there are certain features of the bill upon which there is likely to be some disagreement, but the committee will undertake to iron out these differences and report the bill in a form that all can approve.

Perhaps the provision that will be most discussed is that dealing with assess-

ments against insured banks. The money realized from these assessments is used to pay insurance losses and the operating expenses of the Corporation. Originally the Treasury and the Federal Reserve banks advanced \$289,000,000 to provide the Corporation with its initial capital. Since beginning operation in 1934, the amount received from these assessments, which are at the rate of one-twelfth of 1 percent of total deposits, has enabled the Corporation to repay the amount advanced, to pay all losses and expenses for 16 years, and to build up its capital account to nearly one and a quarter billion dollars.

The bill I am introducing would authorize the Corporation to transfer to its capital account annually, beginning with the calendar year 1949, 40 percent of its net assessment income, and to credit the remaining 60 percent, pro rata, to insured banks against their assessments for the ensuing year.

Net assessment income is defined as the total assessment income during the calendar year less:

First. Operating costs and expenses during the year.

Second. Additions to reserves for losses during the calendar year, except that any adjustments to reserves resulting in a reduction of such reserves shall be added.

Third. Insurance losses sustained during the calendar year plus losses from any preceding years in excess of reserves.

Currently the Corporation's annual assessment income is approximately \$120,000,000. Its losses and expenses during the fiscal year ended June 30, 1949, were \$6,700,000, leaving \$113,300,000 to be added to surplus. Application of the formula in this bill to these figures would permit addition to surplus of about \$69,000,000, leaving \$44,000,000, or a little more than one-third of the gross assessment income for the year, to be prorated among insured banks as a credit against assessments for the following year.

Another important change proposed is an increase in the maximum insurable account from \$5,000 to \$10,000. This would increase the number of insured accounts from 96 percent to 98.4 percent of the total, and would increase the amount of insured deposits from 44.8 percent to 52.4 percent of total deposits.

I am reminded that the distinguished senior Senator from Michigan is the only Member of the Senate who worked directly with that far-seeing group who were responsible for the establishment of the plan for insurance of bank deposits 16 years ago. I take the liberty of assuring him that in my opinion the people of the United States owe him a lasting debt of gratitude for his part in providing the Nation with this agency for restoring, strengthening, and maintaining confidence in our banks. Its successful operation and its present sound financial position fully justify his wise judgment and effective work in that behalf.

The bill (S. 2822) to amend the Federal Deposit Insurance Law (U. S. C., title 12, sec. 264), introduced by Mr. MAYBANK, was received, read twice by its title, and referred to the Committee on Banking and Currency.

COMPENSATION OF EMPLOYEES OF SENATE AND HOUSE OF REPRESENTATIVES

Mr. FLANDERS. Mr. President, I introduce for appropriate reference a bill relating to the compensation of the employees of the Senate and House of Representatives. I will say that in the closing hours of the last session Congress passed the legislative pay bill which continued the complicated structure of basic salaries and total salaries. The bill I am now introducing is simply intended to do away with the three percentage additions to basic salary and make the basic salary the same as the actual salary.

The bill (S. 2821) relating to the compensation of employees of the Senate and the House of Representatives, introduced by Mr. FLANDERS, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

ADDITIONAL PERSONNEL FOR OFFICIAL REPORTERS OF DEBATES, SENATE

Mr. HAYDEN submitted the following resolution (S. Res. 207), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate, in equal monthly installments from January 1 to June 30, 1950, to the official reporters of Senate debates and proceedings the sum of \$6,000 for the employment of additional office personnel.

STATEMENT BY SENATOR DOUGLAS ON THE PRESIDENT'S BUDGET

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a statement prepared by him on the budget submitted by the President on January 9, 1950, which appears in the Appendix.]

PROPOSALS AFFECTING THE DAIRY INDUSTRY AND AGRICULTURE

[Mr. WILEY asked and obtained leave to have printed in the RECORD material prepared by him relative to the reactions of the dairy industry of Wisconsin and the Pure Milk Products Cooperative of Fond du Lac, Wis., to proposals affecting dairying and agriculture, which appears in the Appendix.]

ADDRESSES BY HON. LOWELL B. MASON AND HON. JAMES M. MEAD AT SWEARING-IN CEREMONIES

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD addresses by Hon. James M. Mead and Hon. Lowell B. Mason at the swearing-in ceremonies of former Senator James M. Mead as a member of the Federal Trade Commission, November 16, 1949, which appear in the Appendix.]

BOOZE HAS NO CONSCIENCE—EDITORIAL FROM THE GRAND RAPIDS (MINN.) HERALD-REVIEW

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Booze Has No Conscience," published in the Grand Rapids (Minn.) Herald-Review of January 5, 1950, which appears in the Appendix.]

CONSTITUTIONAL ASPECTS OF THE CIVIL-RIGHTS PROGRAM—ARTICLE BY CHARLES WALLACE COLLINS

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD an article entitled "Constitutional Aspects of the Truman Civil-Rights Program," written by Charles Wallace Collins, and published in

the Illinois Law Review of Northwestern University, which appears in the Appendix.]

LIMITATION OF A BEQUEST TO DEMOCRATIC MEMBERS OF FAMILY—ARTICLE FROM THE ST. LOUIS POST-DISPATCH

Mr. NEELY. Mr. President, the officers and members of the Senate are cordially invited to lend their ears to the reading of an unusual, interesting, and inspiring article that appeared in the St. Louis Post-Dispatch on the 7th of last December. A proper caption for this article would be "A prodigal son returns to his political home." An appropriate text for what it says would be "Joy shall be in heaven over one sinner that repenteth, more than over ninety and nine just persons, which need no repentance."

It is my hope that the Senate will consider the foregoing opinions fully justified by what I now proceed to read:

SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS BEQUEST TO FAMILY IF ALL ARE DEMOCRATS

SACRAMENTO, CALIF., December 7.—Harvey B. Whitten, northern California peach grower, left most of his \$750,000 estate to his two brothers and four sisters—and told them to become Democrats.

Whitten, who died November 17 at the age of 69, said this in his will filed for probate yesterday:

"I have specifically requested my brothers and sisters to renounce the Republican National Party, its policies, and platform, and to vote henceforth a straight Democratic National Party ticket.

"The reason for this is that my estate was accumulated solely under the Democratic administration. It is, therefore, my desire that no Republican Party member receive anything from the distribution of my estate."

Winston A. Langlois, attorney for the executors of the will, said Whitten's statement was probably merely to show his desire that heirs should be Democrats.

"There isn't any clause in the will which specifically disinherits a Republican," Langlois said. "But it's a nice legal question."

Mrs. Anna Whitten Ross, who came here from her home in Charlottesville, Va., for the hearing on her brother's will, said she didn't think there would be any trouble.

"In fact," she said, "I think the family are all Democrats. They may have strayed now and then. I think Harvey just wanted to be sure they stayed Democrats."

Mr. President, if there be any other wanderer from the democratic pathway of happiness, prosperity, and peace, let him remember, that—

While the lamp holds out to burn,
The vilest sinner may return.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. HUMPHREY. Mr. President, for the past several days the pending business before the Senate has been H. R. 2023, and the amendment which has been offered in the nature of a substitute. Every time we reach the consideration of this very vital piece of legislation we find ourselves moving off on a slow boat to China. So, today, I should like to return to home port, to the pending business of the Senate, and continue with the discussion of this proposed legislation. I have observed that oleo seems to be a rather slippery subject, and it

continuously melts away under the impact of Senate heat. We will try to keep the discussion and the consideration of the measure today calm, cool, and deliberate, so that there will be no melting away of this vital issue.

Mr. President, it is my intention to vote for the Gillette-Wiley amendment to H. R. 2023, the bill we are now considering; an amendment of which I am a cosponsor; an amendment which is in the nature of a substitute for H. R. 2023. I fully appreciate the inequity of continuing the restrictive taxes on oleomargarine.

I am happy to join with my colleagues, virtually all of whom agree to the desirability of abolishing those taxes. The dairy farmers of America have no intention of being parties to any tax device which is designed to interfere with consumer free choice.

The issue involved in the legislation we now consider, however, is deeper than the proponents of the legislation would have us know. The issue is not one of farmers versus consumers. The dairy farmers of America, who are themselves consumers, fully appreciate the desirability and the necessity of protecting the consumer interest in any piece of legislation to be considered by the Congress of the United States.

I repeat, the issue is not one of farmers versus consumers; the issue is rather one of recognizing the necessity of farmers and consumers joining together in opposition to monopoly and threatened monopoly. It is in this spirit and it is with this emphasis I desire to address myself to this body today.

The 558,609 dairy farmers, Mr. President, are small-business men, who devote at least the majority of their time to the processing or to the production of dairy products. Many hundreds of thousands more have dairying as a small part of their operation. Thirty-eight thousand nine hundred and thirty small-business men dairy farmers, Mr. President, work and live, bring up their children, and go to their churches, and engage in trade in my State of Minnesota. Many of them have organized cooperatives to assist them in their business activities. There are today more than 40,000 local plants all over the United States processing butter, milk, cheese, ice cream, and other dairy products. There are today 3,500 creameries scattered across our land and in every one of the 48 States, most of them owned by individuals or cooperatives. Butter, Mr. President, is a small man's operation. Butter making does not lend itself to a high-speed, concentrated, big-plant type of production because cream must be procured almost daily from literally millions of farms. Butter always has been and always will be essentially a small-business operation.

Contrast this picture with the industrial picture within the oleomargarine industry. The picture is one of growing monopoly. There are 28 oleomargarine companies, as compared to 3,500 creameries, as compared to 40,000 dairy plants, as compared to more than two and one-half million farmers who were engaged, in some part of their business, in dairying operations. There are 28 oleomargarine companies, but only 5 of these

produce approximately two-thirds of the total amount in the United States. Processors and refiners of domestic oils used in the production of oleomargarine are even more limited in number, with merely a handful of companies controlling the industry.

I invite the attention of this body to the list of oleomargarine brands which account for 68.4 percent of the total sales of this product in the United States. They are as follows, "Nucoa," "Parkay," "Allsweet," "Blue Bonnet," and "Del-Rich." Only a few months ago the total production of these five major dominant brands were supplying more than 61 percent of the national output, as compared to a figure of 68.4 percent today—an increase, within a period of less than a year, on the part of these five companies, of 7 percent of the total oleomargarine production. The five largest oleomargarine names, therefore, are growing more and more dominant in the industrial scene.

The issue, therefore, is in a real sense one of small business versus big business. Evidence of this is seen in efforts of big business oleomargarine to advance its self-interest at the expense of the American dairy farmer. It is estimated that half a million dollars a month is being spent in behalf of this legislation by oleomargarine advertisers and publicity representatives. This is, of course, an expenditure which cannot be matched by small dairy plants, however numerous they may be. This explains to a large extent the reason why the case in behalf of the American dairy farmer has not been adequately presented to the American people.

My particular emphasis at this time, however, is not toward the five dominant brands in oleomargarine, dangerous as that threat which I have described may be. It is toward a sixth brand and the potentialities in its growth that I wish to direct the particular attention of my colleagues. The name of that brand is "Good Luck," and it is produced by the John Jelke Co., a property of Lever Bros. Co. operating in this country.

Although today the Good Luck brand of oleomargarine claims only 4.4 percent of the American oleomargarine market, the modesty of that assertion should not deceive us. Potentially, the international fats and oils cartel associated with the John Jelke Co. through its parent company, Unilever, Ltd., of London, England, is the greatest threat to the welfare of the American dairy farmer that has yet been posed by this synthetic age in which we live, and is therefore a threat to our whole economy. Unilever—with its headquarters in London—represents the largest single factor of the world supply of fats and oils, purchasing and processing more than 2,000,000,000 tons of the total 5,800,000,000 tons in world consumption.

A GIGANTIC MONOPOLY

The one company, Unilever, Ltd., alone, manufactures more soap and oleomargarine than any other company in the world, including 75 percent of all the oleomargarine eaten in Europe outside of Russia, and about 40 percent of the world's total consumption of oleomarga-

rine. At the time of the purchase of the John Jelke Co., spokesmen for Lever Bros. Co. in London were quoted as saying that they expected their new American property to grow into the biggest oleomargarine company to be found anywhere. Representatives of the company have stated publicly that the John Jelke Co. would expand its operations to all 48 States, and that management had plans to build new oleomargarine plants on both the east and west coasts.

A company, Mr. President, of the vastness of Unilever, Ltd.—this great cartel—is well able to carry out such plans. It now owns throughout the world some 33 soap and toilet preparation plants; 57 plants for the manufacture of oleomargarine and other edible fats; 68 oil refineries; 24 oil-hardening plants; and more than 40 other plants of an auxiliary type. Those plants are situated in 43 different countries. In addition, Unilever, Ltd., owns vegetable-oil plantations covering 100,000 acres in the United Africa group, served by 15 oceangoing vessels and 2 large river fleets. Before the war Unilever used in its factories over 1,750,000,000 tons of oils and fats annually, and they did not come from the United States of America.

Unilever's announcement of its plans to make the John Jelke Co. the largest oleomargarine manufacturer in America is no idle threat, even in this country. Its subsidiary is already one of the two largest soap-manufacturing concerns in America, with plants in Edgewater and Hoboken, N. J.; Baltimore, St. Louis, Chicago; and Hammond, Ind. Last year it purchased Rayve cream shampoo, America's largest-selling hair preparation. It has entered the field of synthetic washing preparations with a new product called Breeze, and also produces an all-purpose soapless detergent for general household use under the brand name of Surf. It has built a plant exclusively for the manufacture of this product at Edgewater, N. J., adjacent to the Spry plant, which it also owns. Thomas Lipton Tea, another subsidiary of Unilever, Ltd., continues to expand its sales and to set new records in competition with American merchants.

DOMESTIC OIL PRODUCERS MAY LOSE MARKETS

This vast international cartel has every reason to be confident of its strong position on the basis of actual past performance. Over 41,000 tons of palm oil are produced annually on the company's plantations in the Belgian Congo alone. I wish to remind my fellow Senators that palm oil, before the war, was the preferred raw material for the production of oleo.

Only when the war interrupted overseas supplies were our domestic oleo manufacturers induced to turn to cottonseed and soybean oils as sources of vegetable fats. There is nothing to prevent the oleomargarine manufacturers from returning to coconut oil and palm oil, produced by the equivalent of slave labor overseas, as a price lever with which to deprive the American dairy farmer of his market for both butter and vegetable oils.

To those who think that the American cotton farmer and the American soy-

bean farmer are going to find a market for the vegetable fats of those commodities, I would have them look into the record and see where the raw material came from prior to the war for the processing of oleomargarine. At the present time a false hope is being extended because the price of the raw material in the United States is much higher than the price of coconut oil or palm oil produced in the Belgian Congo or in the jungles of Africa.

Unilever's expansion of facilities is continuing on every continent. The Dutch branch of Unilever, Ltd., is already erecting new plants in Indonesia. How much more attractive, then, is the American market? The president of Unilever's Dutch branch, Dr. Paul Rykens, created a sensation in the London office when he declared that economic possibilities in Indonesia were greater than those in Malaya; and in Malaya they have been getting some of the cheapest palm oil and coconut oil obtained any place in the world. What sort of sensation was created, we may wonder, by the statement of the Lever Bros' spokesman who said that he expected their American property, John Jelke Co., to grow into the biggest margarine company in the world?

Yes; Unilever is probably the world's largest trading company. In many places where it sells goods to natives, it has no competition whatever. It is in complete control of much of its raw-materials resources, since the United Africa Co. supplies fats and oils for approximately one-fourth of all Unilever's products. Company spokesmen have refused to discuss its progress in the development of synthetic proteins, but there is much to suggest that the company is attempting to make its position even more secure through bypassing altogether natural sources of supply.

ARTIFICIAL MILK WILL BE NEXT

Administrative health officials in London have guessed, off the record, that Unilever, the corporation, is working on the production of artificial milk made with vegetable fats and synthetic proteins. If these efforts are successful, the dairy farmers of not only the United States but of the world can look elsewhere for their livelihood.

The picture we have, therefore, is what the economists call monolithic corporate control on an international scale, seeking and planning to expand its activities and its profits. Its London office, Unilever, Ltd., is considered to be the world headquarters of this international organization, but real financial control remains here in the United States with its American corporation.

This international organization now maintains that the manufacturing and the sale of yellow oleomargarine should not be regulated in the interests of fair competition. This corporation presumes to say, instead, that such regulation is unfair to its own products. It further contends that the dairy farmer has no right to the color yellow, despite the fact that for centuries yellow has been the one unique color by which butter could be identified at sight. Yet this same Lever Bros. Co., this same corpora-

tion, the dominant unit in a worldwide fats and oils cartel, was prompt to rush into court, back in 1934, with a law suit against Jay's Chemical Corp. over an exactly similar question of color.

The defendant company had been in existence for about 2 years. It manufactured a competing article, which it called Life-Guard Health Soap. The record disclosed that the defendant's purpose in so doing was to devise a product substantially like that of Lever Bros. Co.'s in color, odor, shape, and general appearance, and to market it under a name which would be so like that adopted and used by Lever Bros. Co. that it could be fairly termed an imitation.

Oleomargarine manufacturers such as Lever Bros. Co. have been guilty of similar imitations in copying the texture, flavor, odor, and shape of butter. They have imitated the appearance and size of the conventional butter carton, and have even copied the quarter-pound prints in which butter is marketed. They have used brand names which suggest that their oleomargarine is freshly churned—right from the hot jungles of Africa—or otherwise produced by methods similar to those used for butter, and they have not hesitated to use on their packages and in their advertisements not palm trees but farm scenes to suggest the cool country freshness of butter.

But apparently the rules that protect corporations against infringement of established quality and good will fail to protect 2,500,000 small dairy farmers against the same injustices. The color red in soap is claimed to be the exclusive property of Lever Bros. Co. when it is applied to a health soap—we know what it is that eliminates "BO"—Lifebuoy—but the color yellow is in the public domain—it belongs to anyone—when Lever Bros. Co. wants to use it to imitate another manufactured product. This is particularly true when the product to be imitated is made, not by another corporation with tough lawyers of its own, but by a host of small creameries.

The color of the defendant's soap, Lever Bros. Co. claimed in its suit, while of a slightly different shade than that of Lifebuoy, was sufficiently close to it to cause confusion between the two articles. Lever Bros. Co. said such confusion cost it a loss of sales and profits, the company protested. How much closer and more confusing is the imitation of butter by oleomargarine, which now seeks to usurp the exact color of butter? Lever Bros. Co. obtained an injunction against this competitor because, the court said, the defendant had almost completely copied the plaintiff's product in an effort to gain an advantage from the good will of the plaintiff's business. Yet what excuse can there possibly be for coloring oleomargarine yellow other than to gain an advantage from the good will built up by the butter makers of this country? The sole reason for wanting to imitate butter's naturally yellow color is to benefit by butter's reputation as a quality spread.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield.

Mr. JOHNSTON of South Carolina. Does the Senator mean to say butter is not colored?

Mr. HUMPHREY. Of course, the junior Senator from Minnesota does not mean to say butter is not colored. He merely says butter in its natural color is yellow, and yellow coloring is sometimes added to give it a sharper and more distinct color. But I am not so sure that the coloring competition arose when oleo started to color just a little bit, and the butter manufacturer said, "Possibly we had better color just a little bit more." So we have had a little competition as to which could get the most color into one of its spreads.

Mr. JOHNSTON of South Carolina. Is it not true that at certain times of the year butter is very white?

Mr. HUMPHREY. It is true that at certain times of the year butter is very light yellow, but it is not true that at certain times of the year butter is white. It is true that in its natural condition, after it has been bleached, oleo is white. Butter is never white. Butter may be slightly on the light side, but it is still, must I say, colored. It is similar to the case of any shade of color. For example, some people are dark, others are reasonably light.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Will the Senator from Minnesota say the color of butter varies between a pale gold and a yellow?

Mr. HUMPHREY. The Senator from Minnesota will be more than happy to accept that very fine, artistic description of the coloration of butter.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from South Carolina?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. Is it not true at the present time that oleomargarine in a great many instances must be bleached before it can be sold?

Mr. HUMPHREY. Yes; I think that is true; because otherwise it would turn out to be green, if a certain kind of product were used; or it might turn out to be brown. We are perfectly willing that oleo shall have all the colors of the spectrum, all the colors of the rainbow, except the one color of which the cow has had a preemption for centuries.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Some years back, a Middle Western State permitted oleo to be sold, under condition, however, that it be colored green. I do not understand the Senator from Minnesota is making any such proposal, but is merely saying the color yellow in the spectrum should be reserved for butter.

Mr. HUMPHREY. That is my position, and I may say that as my remarks are developed I think my friend from South Carolina will see that the junior Senator from Minnesota is most liberal and most generous in his treatment of oleo as a consumer product. I can make this rather summary statement at this

time: There is no intention on the part of the junior Senator from Minnesota to deny the opportunity for oleo to be sold to the American consumers, and I think I shall be able to advance a program this afternoon which will meet with the hearty support of those who today are somewhat in doubt.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. Would the Senator from Minnesota object to oleomargarine being sold in whatever color it comes, and would the Senator object to butter being sold in whatever color it might come, at any time, anywhere?

Mr. HUMPHREY. No. I think that would be a very good position. As a matter of fact, if we could return to the laws of nature—which at times are a great improvement over the laws of the Congress—I think we should find that about 80 percent of the time we would have butter that would be very sharply and perceptibly yellow, and that 20 percent of the time it would be, as my distinguished friend from Illinois said, of a light golden color. We would then permit oleo to have any of the normal colors which Mother Nature may have provided in its processes.

Mr. JOHNSTON of South Carolina. So the Senator would not object, then, to butter being sold in its natural color, and oleomargarine being sold in its natural color?

Mr. HUMPHREY. I think that would be fine.

Mr. JOHNSTON of South Carolina. If that be so, why is it the Senator objects to oleomargarine being colored yellow, and tries to confine the yellow color to butter exclusively?

Mr. HUMPHREY. Because I merely happen to believe that it has apparently been God's will—I do not know who else willed it—that butter be yellow. Butter was yellow long before the Congress of the United States had its first session. Butter was yellow long before we ever thought about excise taxes. Butter was yellow the first time someone got hold of a very ancient churn and started beating the cream.

We are not going to belabor merely the color, because I know my friend from South Carolina is interested in small business; I know he is interested in the welfare of the family; I know he is interested in the welfare of the consumer, and the welfare of the small-business producer. I do not believe that my friend from South Carolina is interested, for example, in one company which produces 40 percent of the oleomargarine of the world. I do not believe he is interested in the kind of cartel system under which three companies control more than 90 percent of the fats and oils of the world. I do not believe he is interested in the kind of economic system, if you please, which will literally gouge out of business and crush out of business the small independent operator. I believe the facts are disclosed in this address which point out to reasonable men that the greatest threat of the oleomargarine industry is not the threat of color competition; it is not the fact that someone

may want oleo in preference to butter. The threat is to the product of 2,500,000 American citizens who are the backbone of the country, the dairy farmers; to the 40,000 local plants, 3,500 creameries that are involved in the processing of dairy products.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I believe this is more a consumer's bill than it is a bill for the man engaged in agriculture, in the manufacture of oleomargarine, or in the dairy business.

Mr. HUMPHREY. I am very happy that my friend has brought that fact to our attention. It is a consumer's bill. Before I have completed my remarks today I hope I shall have shown the Senator, if he will stay with me, that the consumer's interests have never been protected from monopoly, from cartels, and from the growing concentration of economic power.

There is plenty of evidence to show that this is a well-timed piece of legislation. The people of the United States have been told that monopolies were good for consumers. The A & P Co. is running a full-page advertisement telling how good monopolies are for the people. It is good for them, so long as there is competition; but when competition is destroyed, monopolies take all the market will bear. The only time the consumer is ever protected is when there is competition. It is not good for the consumer to have a monopoly administer prices and have control over production and distribution.

Mr. JOHNSTON of South Carolina. I should like to ask another question, if the Senator will yield further. At the present time, according to the way the law is written and the way in which oleomargarine is being sold, what difference would this bill make in the law?

Mr. HUMPHREY. The substitute proposal would repeal the taxes.

Mr. JOHNSTON of South Carolina. At the present time the taxes do not have anything to do with protecting the public, so far as monopoly is concerned.

Mr. HUMPHREY. I point out to my distinguished friend that the manufacture of butter has never been known as a monopoly. Butter may have been high priced; there may have been a shortage of it, but the manufacture of it has never been a monopoly. We can still go to grandma's farm and get a crock of butter.

Mr. JOHNSTON of South Carolina. The Senator does not mean to say that the price of butter at the present time is any protection to the public, does he?

Mr. HUMPHREY. The price of butter is a good protection to the public. As a matter of fact, the Congress of the United States, without a dissenting vote in the Senate, voted for mandatory price supports for butterfat. That is the will of the people. I shall not talk about that. I thought that was settled at the last session of Congress. That is the established policy of the country.

Mr. JOHNSTON of South Carolina. I think the Senator from Minnesota has missed the point I made. What I was

trying to bring out was that at the present time he speaks of cartels which would come into effect if this tax were removed.

Mr. HUMPHREY. Oh, no. The Senator from Minnesota does not speak of that. The cartels have been in effect from the very beginning. There has always been a monopoly of fats and oils. Three major companies have formed themselves into a combination operating all over the world.

Mr. JOHNSTON of South Carolina. So this bill would have nothing to do with that situation.

Mr. HUMPHREY. I say to the Members of the Senate and to the people of the United States that if we can protect Lifebuoy soap, which may be a good soap, if we can protect the color of Lifebuoy soap—and this is the first time I ever heard of the Government of the United States wanting to protect the color red; I gathered that we were interested in red only on the negative side—we can protect the American farmer. When it comes to butter, we have to rely upon the ingenuity, the individuality, and the indestructibility of the independent American farmer.

I should like to offer to those who have seen what they consider to be an injustice in our claim that the color yellow should be reserved for butter the following example:

It may be argued that red and yellow are two different colors, and that the commercial rights and privileges pertaining to one are not applicable to the other. If that be the case, let me cite the experience of the Yellow Taxicab Co., which did not hesitate to take its smaller competitors to court in order to establish its sole and exclusive right to the use of the color yellow on its cabs. I say to the Members of the United States Senate that automobiles are not manufactured with a yellow color; they are not created with a yellow coating. They come out as a steel product with sort of an ashen gray color. They are then coated. Nevertheless, the Yellow Taxicab Co. took unto itself the color yellow, and has been protected by our courts.

When it comes to cabs and Lifebuoy soap, red and yellow are sacred, but it is different when it comes to 2,500,000 dairy farmers, who produce a product known as milk, and out of milk we get butterfat, and when we churn butterfat we get a yellow product called butter.

Are we to believe, then, that there is one brand of justice for big business and another for the small, independent farmer? Are 3,500 main-street creameries throughout our 48 States of less importance than the five giant Wall Street corporations that control the oleomargarine business? Are dairy farmers to be penalized because the nature of their business does not permit its concentration in the hands of a few? Is it wrong for the family-sized farm to exist, and for dairy farmers in thousands of villages and hamlets to spend their local creamery checks in the stores of local merchants?

It is difficult to combat powerful groups such as the oleo lobby. The profit from the manufacture and sale of their syn-

thetic product is very large—large enough to afford elaborate publicity campaigns and heavy expenditures of advertising money. Tide magazine has credited the oleo interests with an advertising budget of \$6,400,000 in 1947 and \$5,900,000 in 1948. Much of this money was spent, as I have already said, to convince housewives that oleo should be colored yellow at the factory in imitation of butter. Where did this money come from? I have seen figures indicating that a complete oleo plant, turning out 40,000 pounds daily, can be installed for around \$75,000.

I do not desire to deny the oleo business an opportunity to grow. I merely do not want it to grow all in one or two places. I do not want to see all the oleo business known by the names of one or two people. The oleo business can be decentralized if it wants to be. If a plant can be built for \$75,000, there can be three or four plants in every State, and if that is done, and the people in a State want colored oleo, they can have it. The question then is, Are we going to let monopolies produce all the oleo, or are we going to say to the oleo people, "Look. We are not aiding and abetting cartels."

I want to say to some of my friends from the South who are sponsors of this bill that the South and West have been exploited for generations through discriminatory freight rates. They have been exploited for generations through higher interest rates. If we are to have some new business, Minnesota has room for new business, South Carolina has room for new business. There is room for new business all over America. I see the Senator from Vermont rising. Vermont has room for new business.

Mr. AIKEN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does the Senator feel that if we are to enact legislation which will result in the concentration of oleo manufacturing in two or three places in the country, he and I might have to reconsider our position on the basing-point legislation? Certainly we are not only unwilling to be penalized in the location of these plants, but we should not be penalized further by making the product cost us a great deal more than it does those who happen to live in the immediately vicinity of where oleo is to be manufactured.

Mr. HUMPHREY. I thank the Senator from Vermont for his question, and, believe me, he is right. But when he mentioned basing point, I knew that was the signal for my distinguished friend the junior Senator from Louisiana [Mr. LONG] to enter the debate.

Mr. AIKEN. Mr. President, I should like to say further that I am not yet changing my position on the basing-point measure, because I feel that the Senate is not going to impose any such unfair conditions on the States of Minnesota and Vermont and other States as some individuals apparently are willing to do.

Mr. HUMPHREY. I thank the Senator from Vermont.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. Do I understand it to be the Senator's position that if some of the small dairies are going to be driven out of business we ought to let all the other small businesses be driven out of business?

Mr. HUMPHREY. The position of the junior Senator from Minnesota is that we ought not to drive small business out of business. But I think that if small business is to be driven out of business the people who are to do the driving ought to provide some program for making good the losses small businesses are going to incur.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. First, I should like to say that I regret very much that I was unable to hear the first part of the Senator's statement, because of an important meeting of the Foreign Relations Committee at which I felt obliged to be present.

Mr. HUMPHREY. I may say that I think the Senator missed the best part of the speech. I am sorry the Senator from Arkansas missed the first part of my speech.

Mr. FULBRIGHT. I will say that I know of no one who can make a better speech than the Senator from Minnesota, and I regret very much that I could not be present to listen to the first part of his speech.

One or two matters I think should be straightened out in the RECORD. On January 5, the Senator from Iowa [Mr. GILLETTE] stated, as appears on page 82 of the CONGRESSIONAL RECORD—and, as I understand the Senator from Minnesota, it holds somewhat the same theory—as follows:

The Lever Bros. Co., which has taken over the Jelke Co. and handles 75 percent of the sales in Europe and 68 percent of the sales in the United States, is the same concern which went into a United States court and asked for protection against imitation of their product.

Mr. HUMPHREY. The Senator from Minnesota does not agree with that, because Lever Bros. control only 4.4 percent of the production of oleomargarine in the United States.

Mr. FULBRIGHT. I wanted to make that clear for the RECORD, and to draw the Senator's attention to a letter from Lever Bros.

Mr. HUMPHREY. Is that letter in the RECORD?

Mr. FULBRIGHT. It appears on page 166 of the House committee hearings. The letter states among other things that they had purchased John L. Jelke Co. on July 1, 1948, and it further states:

The margarine industry uses very little imported oil, as the statistics show. We ourselves use none, nor do we import any margarine from outside the United States.

It further says:

Our present share of the total production of margarine is between 4 and 5 percent.

Mr. HUMPHREY. That is my statement on the floor today.

Mr. FULBRIGHT. I am very glad the Senator has corrected that.

There is one other statement which I would appreciate the Senator allowing me to read. I shall read just two short paragraphs.

Mr. HUMPHREY. I shall be glad to yield to the Senator for that purpose.

Mr. FULBRIGHT. It is from an agency which I think the Senator will admit is certainly impartial on this sort of thing. I read from the report of the Federal Trade Commission on the concentration of productive facilities, of 1947, page 64. I do not believe this has been read into the RECORD.

Mr. HUMPHREY. I shall be happy to have it placed in the RECORD at this time.

Mr. FULBRIGHT. Mr. President, I should like to quote it for the Senator's information at this time. It is not very long. I read from page 64 of the report of the Federal Trade Commission on the concentration of productive facilities, 1947. This is the statement of the Federal Trade Commission:

The pattern of control in the processing and marketing of dairy products is rather similar to that of the meat-packing industry. Before World War I the dairy products industry was made up of small local units, either independently owned or under cooperative control. The contrast between the past and the present state of concentration is perhaps more striking in this field than in any other manufacturing industry.

As the concentration curve for the industry shows, the two leading dairy corporations, National Dairy Products Corp. and the Borden Co., clearly dominate the industry, holding 27.5 and 21.4 percent, respectively, of the industry's net capital assets.

There is nothing comparable to this in the field of margarine manufacture. That is my statement. I continue to read from the report of the Federal Trade Commission:

Thereafter the slope of the curve becomes much more gradual, with the third firm, the Carnation Co., holding 6.9 percent and five other corporations, with assets ranging from 2 to 4 percent of the industry's total, owning an additional 15.5 percent. Thus the eight largest firms control 71.3 percent of the total net capital assets of all corporations operating primarily in this field.

Even these figures, however, substantially understate the degree of concentration affecting the ultimate consumer. This understatement stems from two factors: (a) Within the broad industry groups, concentration is frequently higher for important individual products; and (b) many of these individual products are highly perishable and can only be shipped within a limited market area, a circumstance which frequently results in a higher degree of concentration in local markets than is true of the country as a whole.

So if the Senator seeks to make a point about concentration in the margarine field, I say to him that it is much greater in the dairy field. We are interested in the maintenance of effective competition within a great industry. That is what we have traditionally relied upon to control prices.

Mr. THYE. Mr. President, will my colleague yield?

Mr. HUMPHREY. I shall yield in a moment. I want to make the comment in reply to my friend, the Senator from Arkansas, that, first of all, he is talking

about the dairy industry as a total pattern. The dairy industry as a total pattern is one thing, and the butter industry within the dairy industry is another.

I now yield to my colleague from Minnesota.

Mr. THYE. Mr. President, I want to join in the remarks made by my colleague, the junior Senator from Minnesota [Mr. HUMPHREY] on the question of concentration of dairy products. The junior Senator from Minnesota is entirely right when he says we are dealing with the entire dairy industry. We are not separating the butterfat. The question now before us is butterfat versus oleomargarine. It is not a question of the other dairy products. Butterfat is simply one of the products which are processed in relation to the other dairy products. The reason for the great growth in the condensed milk market was military need, and the processing of a product that was not perishable. That was one reason why an increase resulted in the cheese production during the war years.

But the entire question is: Are we permitting or will we permit, by the legislation proposed by the oleomargarine supporters, the destruction of the butter market? If the butter market is destroyed it means the destruction of individual creamery, and the entire dairy industry will be put in a position where it must rely on the condensaries to a great extent in processing our whole milk, because there is no free market in the Midwest, in the great diversified area, for milk sales, except through butterfat or through condensed milk, or cheese, and the market today is flooded with cheese. That can be found by referring to the Commodity Credit Corporation's record of the amount of cheese purchased.

The butter market is likewise flooded, as can be found by reference to the record of the Commodity Credit Corporation as to the amount of butter it has purchased in order to maintain and support the price of butter. For that reason there has never been a time when it was so important to continue and to maintain the butter market as today.

The entire argument is not that of the condensaries. It is a question of whether a synthetic product, camouflaged to look and smell and taste like butter, processed entirely synthetically, shall take over and destroy the small individual farmer-owned, farmer-controlled, farmer-operated creamery throughout the entire diversified area of the United States.

Mr. HUMPHREY. I thank my colleague, the senior Senator from Minnesota.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. The Senator from Minnesota and those who uphold the butter position, cannot have it both ways. They either must take the choice they are taking respecting the dairy industry, or uphold the butter position. The other day, when the Senator from Iowa was talking about this matter, and I challenged the importance of butter, he and those supporting him were talking all

the time about the great dairy industry which I am as much interested in preserving as they are. When that point is before the Senate for discussion they refuse to delimit or dissociate butter from the over-all milk industry. But now when we talk about concentration, then it is said we must look only at the butter industry.

Mr. HUMPHREY. Oh, no.

Mr. FULBRIGHT. If we look only at the butter industry, then the point becomes very evident that it is of such slight importance to the over-all dairy industry that here is no real occasion to become excited about it. But I think the Senators from the dairy States must consider either one or the other, in making their points, because they shift their position so rapidly that it is difficult for the public to follow.

One other thought: What I am interested in here is not the margarine industry at all. This is not a fight between the margarine industry and the dairy industry. What I am interested in is the consumer.

Mr. HUMPHREY. Oh, yes; we have been talking about that all afternoon.

Mr. FULBRIGHT. The Senator continually emphasizes the point that 500,000 persons are engaged in the dairy industry. Perhaps there are that many persons engaged in it, but there are 150,000,000 persons interested in the opportunity to obtain a nutritious food at one-half the cost of butter. That is what we are really interested in.

To put up this straw man of monopoly in margarine manufacture is entirely beside the point. I have no interest in margarine manufacturers at all. They are merely incidental to the whole question.

Mr. HUMPHREY. Of course.

Mr. FULBRIGHT. We are seeking an opportunity for people to purchase a perfectly good product free from artificial and unnatural restrictions—

Mr. HUMPHREY. Fine.

Mr. FULBRIGHT. Which have applied to no other product in all the history of this country's legislation.

Mr. HUMPHREY. Marvelous. Now, since my friend, the Senator from Arkansas, is one of the most powerful defenders of States' rights, since he has said he does not believe the Federal Government should be interfering in these things, I say to my brother from Arkansas let us join together and we shall see that there is a little oleomargarine plant in every State of the Union, and we shall provide that those plants in every State of the Union will furnish jobs for small business, so that people of Arkansas can have Arkansas oleo, people of Minnesota can have Minnesota oleo—we are proud, too, you know, of our State—and so that people of California will be able to eat California oleo. Imagine the situation if people in California had to eat Florida oleo. There would be great social unrest in our country, in that case, [Laughter.]

What are we saying, Mr. President? We are saying to the proponents of this measure, "If you want white oleo, like oleo is before you get around to tinkering with it and coloring it—"

Mr. FULBRIGHT. How about butter? It is white, too, before you get to tinkering with it and coloring it. The Senator from Minnesota also knows that some oleomargarine is yellow, but the law prevents it from going sold with that yellow color; under the law, it cannot be sold until it is bleached white. Let us not confuse the issue, I say to the Senator from Minnesota.

Mr. HUMPHREY. Some oleo is green, too, and it is necessary to bleach it. All of it must be bleached.

We are saying that those who want oleo can have it. Let us keep the record clear. They can have oleo colored any color they wish to have it. It can even be colored any hue of the rainbow, or even can be colored to look like Neapolitan ice cream. Those who wish to have oleo can have it colored any color they want to have it colored. It can even be put in boxes which look like butter boxes.

The manufacturers can even print on the boxes pictures showing dairy herds in Minnesota. We do not complain about that.

Mr. FULBRIGHT. The correct figure is six companies control 5 percent of the total production of oleo; and, in the same way, eight dairies control 71 percent of the milk production. So we are about even; there is no great difference in that respect.

Mr. HUMPHREY. The Senator from Arkansas says we are even, although of course that is a very debatable and disputable point.

All I say is that since the Senator from Arkansas has raised the noble, humanitarian cry about the interests of the consumer, let me ask, Who is opposed to the interests of the consumer? I will tell you, Mr. President. Every monopoly in the United States is opposed to the interests of the consumer. The monopolies are opposed to the consumer; the cartels are opposed to the consumer. Can he show me a single instance where a cartel ever helped a free-enterprise economy or ever did a small-business man any good? Cartels have gone down in infamy in our country. We are supposed to be breaking them up. But here it is said we are trying to hurt the consumer by denying him a chance to get oleomargarine.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. Would the Senator from Minnesota be agreeable to making the same provision as to color applicable to milk and cheese? Is it satisfactory to the Senator from Minnesota, with regard to the use of artificial color, that exactly the same provisions shall be applicable to butter; and also that exactly the same provisions be applicable to milk, namely, that no milk can be shipped in interstate commerce?

Mr. HUMPHREY. Milk is ordinarily white; is it not? White milk is obtained even from brown cows. [Laughter.]

Mr. FULBRIGHT. Oleomargarine is ordinarily yellow. If its sale in its yellow color were not prohibited by law, and if oleomargarine were not required to be bleached white, that would be different.

Butter is ordinarily white, during a large part of the year; but by law the butter industry is given a specific exemption from the necessity of complying with the same provisions with which the producers of oleomargarine are required by law to comply. The Senator from Minnesota overlooks the fact that affirmative legislation of the Congress has provided these restrictions; it is not a natural condition at all. This was done by affirmative legislation. That legislation requires the manufacturers of oleomargarine to make oleomargarine white in color. That is not its natural color. It has that white color only as a result of legislation enacted by the Congress.

Mr. HUMPHREY. I suppose the Congress also makes the oleomargarine manufacturers make oleomargarine smell like butter, too; and I suppose the Congress also makes them put sodium benzoate in it, as a preservative, too, and makes them put a picture of a cow on the outside of the oleomargarine carton, too. Congress has absolutely nothing to do with all that.

As I said before in this debate, butter was yellow before the Congress of the United States ever was heard of. So it is about time that the Senator from Arkansas understood that the natural color of butter is yellow.

Mr. FULBRIGHT. Then, why is butter colored artificially?

Mr. HUMPHREY. I am sorry that some of my friends in the Senate have digressed from the oleomargarine debate to discuss Formosa. We have had too much trouble in the course of this debate with Formosa, whereas we should have stuck to one issue.

Mr. FULBRIGHT. I ask the Senator to invite a vote on this issue. I am perfectly willing to have it.

Mr. HUMPHREY. The Senator from Minnesota is but one of the buck privates in the ranks. The Senator from Iowa [Mr. GILLETTE], whom I now see presiding over the Senate, which is a place entirely fitting and appropriate for him, and my compatriot, the Senator from Vermont, will settle the schedule for the vote.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I am sure the Senator would like to have it pointed out that apparently the Senator from Arkansas does not expect that oleomargarine will be made from soybean and cottonseed oil in the future, because he said that the natural color of oleomargarine will be yellow. I understand that in order to make oleomargarine a natural yellow color, palm oil is the ingredient used. But it is very evident from the Senator's remarks and any suggestion that oleo be permitted to use a natural yellow color, that he contemplates foreign oils will be used in its manufacture in the

future, rather than cottonseed and soybean oil, which do not make an attractive coloring for the finished product.

Mr. HUMPHREY. It is sort of a greenish color; is it not?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. I wish to state that the Senator is not correct. We had before the committee examples of cottonseed-oil oleomargarine with a color as yellow as butter. I do not expect everyone to agree with my suggestion, because I know the butter people will not agree to eliminating the artificial color of butter. So I have no expectation of securing such an agreement. I only propose it to show that the butter people are just as much interested, if not more so, as the oleomargarine people are in coloring their product.

All we ask is equal treatment. That is all we ask. We ask no favored treatment such as that which has been given to butter throughout the years. We do not ask to be relieved from the duty of putting on the carton a statement of what is inside the carton. Exemption from that requirement is the sole privilege of the butter people. That is an advantage they have had for many years. We do not seek that kind of advantage.

I know of no one who has any idea of using coconut oil for oleomargarine, in order to obtain a yellow color, because I know the butter people will not agree to the sale of yellow oleo or to the elimination of the use of artificial color in their own product.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Then will the Senator from Minnesota ask the Senator from Arkansas whether the oleomargarine people will agree to include in this bill a provision that oleomargarine shall not at any time be sold or advertised as a dairy product? That seems to be the principal bone of contention now, namely, that the oleomargarine people insist upon selling their product as a dairy product. The only excuse is that it contains a little bit of skim milk.

All of us know that it is widely misrepresented as a dairy product. I hold in my hand an advertisement clipped from a Vermont newspaper of last week. Vermont is one of the States that is said to be so tough on the oleomargarine industry that the consumers in Vermont cannot get oleomargarine, according to the inference which we might draw from the arguments which have been presented here.

Here is the advertisement:

Oleo, Golden Maid.

It is neither golden, nor do I suppose any maid had any part in its preparation. But there is the misleading inference that it is yellow oleomargarine. It is not.

After the words "Golden Maid," we see where the rub comes on the consumer:

One pound package, 19 cents.

I do not know why oleomargarine is being sold so cheaply in certain butter States at this time. Probably there is a reason for it. Nineteen cents is only about 10 cents a pound above the cost of manufacturing oleomargarine, and of course that is a very narrow spread for the oleomargarine interests.

Mr. FULBRIGHT. It is a very efficient industry; that is the reason for it.

Mr. AIKEN. But if the oleo interests were entirely sincere, I think they would not hesitate to agree that it should not be sold as a dairy product.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to proceed for a while. I informed some of my colleagues that we would try to get through with this portion of the discussion within a reasonable time; but the area of reasonableness was left behind about 20 minutes ago. So I should like to carry on. I shall yield later, because I do not desire to choke off questions. I think we have about exhausted this part of the discussion; but let me say that I have plenty more controversial material to present, and I wish to preserve some of the enthusiasm which still remains in the body politic here.

At this time, let me say that it is worth noting that the price of oleomargarine, as my colleague, the Senator from Vermont, said a moment ago, tends to follow the price of butter, and not the cost of its ingredients. This has been true since the very beginning of the industry, as ample testimony before the Senate Committee on Finance has demonstrated.

Government spokesmen have reported that the spread between grocery prices and farm prices is too wide. We have read a great deal about that. The percentage of the consumer's dollar for oleo returned to the farmer was a mere 31 percent in January 1949, as compared with 73 percent of the consumer's dollar for butter received by the dairy farmer. The price of farm ingredients used in a pound of oleo during January 1949 amounted to only 11.38 cents per pound, while the gross farm value of ingredients in a pound of butter in the same period was 54 cents.

A PRIME EXAMPLE OF ADMINISTERED PRICES

For several years now the Federal Trade Commission has requested that it be given an appropriation to enable an exhaustive investigation into administered prices in American industry. So far, no such investigation has been approved.

I submit that there is indisputable evidence of a classic example of the existence of administered prices in one industry that comes down here asking favors of this Congress year in and year out. There can be no doubt that in the oleomargarine industry there exists a veritable model of a tightly knit mo-

nopoly with an example of administered prices that is matched by perhaps no other leading industry.

I should like to list a few of the factors which indicate that existence of this monopoly, and the prevalence of administered prices.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a very short observation?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. Does the Senator wish to imply that the manufacturers of oleo are asking a favor?

Mr. HUMPHREY. The Senator was not only leaving the implication; the Senator was making the assertion.

Mr. FULBRIGHT. Does the Senator feel that to ask for the removal of a positive application of law designed to restrict the manufacture of oleo is asking a favor?

Mr. HUMPHREY. The Senator has attempted all day long to tell his distinguished friend from Arkansas that insofar as the proponents of the Gillette-Wiley bill are concerned, we believe in the removal of taxes—which was the first hue and cry of the oleo industry. There is no argument about that. Secondly, we believe every American ought to be able to buy oleo in interstate commerce.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does the Senator feel that there is any indication of administered prices in the fact that oleo is at this time advertised to sell at 19 cents a pound in Vermont, whereas it is selling for 35 cents a pound in the District of Columbia?

Mr. HUMPHREY. I shall come to that. That is not only administered prices; it is exactly what I meant by one of the facets of the monopoly structure, which enables the price to be handled in that manner for the purpose of destroying competition.

Mr. FULBRIGHT. Is the oleo to which the Senator from Vermont referred yellow or white?

Mr. AIKEN. It is advertised as Golden Maid oleo.

Mr. FULBRIGHT. Is it yellow or white?

Mr. AIKEN. If it is yellow oleo, it is being sold in violation of the State law. I think it is white.

Mr. FULBRIGHT. The Senator recognizes there is a difference. A big part of the difference is represented by the tax.

Mr. AIKEN. It is not a tax on the part of the State of Vermont.

Mr. FULBRIGHT. I mean a tax on the part of the Federal Government. It is a tax of 10 cents.

Mr. AIKEN. Is there any significance in the fact that yellow oleomargarine, for instance, if it could be sold legally,

would be sold for 29 cents a pound in the State of Vermont, while in the District of Columbia the consumer is asked to pay 35 cents a pound?

Mr. HUMPHREY. He pays 45 cents a pound.

Mr. AIKEN. As the Senator from Minnesota says, it is a completely administered price. The price is made what the manufacturers want it to be. They can sell it at a loss in one State, for a particular purpose, and make up the loss by overcharging in another area of the country.

Mr. HUMPHREY. The Senator from Minnesota wishes to proceed, because I think what has been pointed out by the distinguished Senator from Vermont, and the conflict which comes from the distinguished Senator from Arkansas, will be developed probably in the remarks on the administered price structure.

PRICE BEARS NO RELATIONSHIP TO COSTS

The price of oleomargarine, perhaps more than that of any other product, exemplifies the custom of charging whatever the traffic will bear. Throughout recent years the price of oleomargarine has borne no relationship whatsoever to the cost of producing it. Several different statistical series can be cited to prove this contention.

For example, I should like to refer you to quotations showing the percentage of fats and oils prices to the price of oleomargarine. If one examines this ratio over the years since 1925, he will find that the percentage of fats and oils prices ranged from 45 percent to 76 percent. Let us button down what that range means. Briefly it means that the ratio of the actual price of oleomargarine to the price of its principal ingredients has deviated by almost 100 percent. In other words, the price of oleo, in reference to the cost of the commodities which have gone into the oleo and the labor which has gone into it, has deviated 100 percent.

The failure of oleomargarine prices to reflect costs was particularly apparent last summer. Between May and November 1948, for example, cottonseed oil dropped from 41 to 20 cents a pound, or almost 50 percent. However, during that same period, the price of oleo declined from only 44 to 38 cents a pound, or less than 15 percent.

Here is an unanswerable demonstration of the complete control over prices maintained by the oleomargarine trust.

I now submit for the record a chart showing the relative price movements of butter, oleomargarine, butterfat, and fats and oils used in oleomargarine from 1925-48, taken from the Senate hearings on this bill found as table 25, pages 114 and 115 of the hearings. These data are based on official Department of Agriculture price statistics.

The PRESIDING OFFICER. Is there objection to the request?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 25.—Relative price movements of butter, oleomargarine, butterfat, and fats and oils used in oleomargarine, 1925-48

Year	Butter, 92-score (Chicago)	Oleomargarine vegetable (Chicago)	Price received by farmers for butter ¹	Average price of fats and oils used in oleomargarine	Percent of oleomargarine price to butter price	Percent of fats and oils price to price of oleomargarine
	Cents per pound	Cents per pound	Cents per pound	Cents per pound		
1925.....	44.1	22.5	42.4	12.2	51.0	54.2
1926.....	42.8	21.3	41.6	13.2	49.8	62.0
1927.....	45.8	21.2	44.5	9.3	46.3	43.9
1928.....	46.0	21.0	46.1	11.4	45.7	54.3
1929.....	43.8	20.5	45.2	10.2	46.8	49.8
1930.....	35.3	19.0	34.5	9.1	53.8	47.9
1931.....	27.0	14.0	24.8	6.6	51.9	47.1
1932.....	20.1	11.2	17.9	5.4	55.7	48.2
1933.....	20.8	10.5	18.8	5.2	50.5	49.5
1934.....	24.8	9.8	22.7	6.6	39.8	67.3
1935.....	28.8	15.1	28.1	10.3	52.4	68.2
1936.....	32.0	15.1	32.2	10.1	47.2	66.9
1937.....	33.2	15.8	33.3	10.1	47.6	63.9
1938.....	27.1	15.5	26.3	8.1	57.2	52.3
1939.....	25.4	14.7	23.9	7.3	57.9	49.7
1940.....	28.7	14.8	28.0	6.8	51.6	45.9
1941.....	33.8	15.8	34.2	10.9	46.7	69.0
1942.....	39.5	19.0	39.6	14.2	48.1	74.7
1943.....	44.0	19.0	49.9	14.3	43.2	75.3
1944.....	41.5	19.0	50.3	14.6	45.8	76.8
1945.....	42.3	19.0	50.3	14.8	44.9	77.9
1946.....	61.9	23.0	64.3	18.2	37.2	79.1
1947.....	70.6	36.9	71.8	28.2	52.3	76.4
1948.....	75.2	37.1	78.6	27.2	49.3	73.3

¹ Weighted average.

² Prices of butter shown reflect actual wholesale trading and include the wholesale mark-up permitted under OPA, MPR as amended.

Mr. HUMPHREY. There is another series of data which prove the same point. I refer to the Department of Agriculture's figures showing the farmer's share of the retail price of oleomargarine. This series is available from 1919 to the present. It shows that the farmer's share of the retail price of oleomargarine has ranged from a low of 19 percent to a high of 36 percent. This very wide deviation in relationship of the farmer's share to the retail price proves once again that the price of oleomargarine bears very little relationship to the cost of producing it.

It should be apparent that if oleomargarine prices were set competitively, the relationship of its going price to the price of the principal ingredients used in its production would remain fairly constant. The fluctuation or deviation over the years, if any, would be relatively minor in scope and extent. Certainly no genuinely competitive product could show the very extreme deviation in relationship of price to costs reported for oleomargarine.

In order to prove the point, just consider what comparable data show for butter. The farmer's share of the retail price of butter shows a gradual trend upward over a period of years, rising from 69 percent in 1919 to the current figure of around 80 percent. The fluctuation through the years was never more than a few points. This, of course, is what you would expect, since butter must reflect its cost of production, and the farmer who produces it gets the overwhelming share of the sales price.

OLEO PRICE RATIO TO BUTTER ALWAYS THE SAME

While oleo prices do not reflect the cost of producing the article, they always bear the same relationship to butter prices. Roughly, throughout the years, oleo prices as reported to the Department of Agriculture are just about half the price of butter for the same period. That was the situation in 1923 and in 1933, and was still the situation in 1946 and 1947. The price of the product is carefully controlled as the Senator from Vermont pointed out, to meet the price of butter.

NUMBER OF UNITS IDEAL FOR ADMINISTERED PRICE INDUSTRY

The make-up of this industry readily explains its ability to control prices regardless of the trend in production costs. Five major companies—the Senator from Arkansas says six—turn out more than 65 percent of the total production of oleomargarine, as we have seen. The industry as a whole numbers only 28 concerns.

There is probably no other industry in the country, comparable in sales volume, which is dominated by so few concerns. The steel industry, for example, which we often talk about as being one of the trusts, one of the monopolies, includes more than 100 separately owned companies, and there are several hundred meat-packing concerns.

The tightly knit control exercised by these relatively few large manufacturers is evidenced by the behavior of oleomargarine prices, which we have already cited.

RAW MATERIALS TIGHTLY CONTROLLED

One other characteristic of an administered price industry is also present in the case of oleomargarine. By the way, Mr. President, if I may digress for a moment, we have heard a good deal of complaint about Government-controlled prices. During the days of wartime emergency we had Government-controlled prices. There was a good deal of discussion and a good deal of criticism in connection with Government-controlled prices. But what do we find in a monopolistic condition? We find a privately operated type of control, a monopoly type of price control. That is what we mean by administered prices. I want my position to be quite clear on the floor of the Senate. I do not want Government-controlled prices and I do not believe in monopoly control. I believe in a competitive, free economic system. I think there is no substitute for competition as a regulatory mechanism. Competition is the best regulatory mechanism that has ever been created. But I make the reservation that if prices are to be administered, if prices are to be regulated and are to be controlled, I should rather have them controlled by the Government, in which I as a citizen have one vote, than to have them controlled by some corporation, run by a handful of people. At least under Government control we have some democratic control. But prices administered by a monopoly are administered prices without reference to cost, without reference to production, without reference to distribution.

I was pointing out that I presumed everyone in the Senate knows that one of the characteristics of an administered price industry is the matter of control over raw materials. The principal raw materials used in the production of this butter substitute are the vegetable oils. I presume, too, that everyone in this Senate knows that the production of processed vegetable oils is under the control of three large manufacturers of shortening and cooking fats. They dominate the entire market for these crucial raw materials in the oleomargarine industry. I need not tell you that the relationship of these three companies to the large manufacturers of oleomargarine is as close as one would expect to find in an administered price monopoly.

Last year a subcommittee of the House Agricultural Committee conducted exhaustive hearings into the speculation in vegetable oils. The extent of control over the prices of processed vegetable oils revealed in these hearings proves the existence of the tight control over raw materials essential to the existence of an administered price industry.

MANIPULATION OF SPREADS BETWEEN WHITE AND COLORED

I should now like to point out some of the manipulation that goes on in this field of the spreads of oleo. Still another evidence of the existence of an administered price monopoly in the oleomargarine industry is the manipulation of the spread between white oleomargarine and colored oleomargarine.

Recently an advertisement appeared in an El Paso, Tex., newspaper which showed colored oleo to be selling for 30 cents a pound more than was the uncolored product. This in the face of a justifiable spread of slightly more than 10 cents. In other words, the price went up 27 cents a pound. It is our claim that when all restrictions are taken off, the so-called low price to consumers is not going to be there. The evidence is quite clear that where there are no restrictions, the price of colored oleo starts going up, regardless of how much it costs to make it, and regardless of what the farmer's share may be. There are hundreds of cases of record to show that the price of colored oleo has varied from the normal 10 cents to as high as 27 cents, and even to 30 cents.

A survey of nine cities in January 1949 showed an average difference between uncolored and colored oleo of 21.8 cents a pound. In other words, the minute the manufacturers get the right to color the product, they put the price up. They take all the market will bear, while the five or six major producers put the unprecedented profits in their pockets. This evidence can be found on page 137 of the Senate hearings.

This exorbitant spread between uncolored and colored oleo naturally bears no relationship to production costs or any other economic factor; it represents simply the ability of a monopoly to gouge the public. It is, of course, within their power, too, to reduce the spread to suit their political purposes, and there is evidence that perhaps they may be doing

so. It should be emphasized, however, that this is not only an example of the workings of an administered price monopoly, but is also a clear warning to consumers that they cannot expect cheap oleo if the bans on production and sale of yellow oleomargarine are lifted.

Once the bans are lifted to allow yellow oleo to be sold freely, and once there is no competition from uncolored oleo, the price spreads, taken from actual quotations posted by stores, show what is going to happen: yellow oleo will rapidly rise in price, approaching the price of butter. This is what we would expect from the existence of an administered-price monopoly where there is no competition.

Naturally, an administered-price monopoly exists only to make money. The profits which have been earned in oleomargarine constitute one additional evidence of the existence of the type of monopoly we are here discussing. Very few of the oleomargarine makers issue reports on their financial operations. Indeed, the National Association of Margarine Manufacturers last year flatly refused a request from the Senate Finance Committee for data on costs, sales prices, and profits.

There would be a great hue and cry in the Senate if some labor organization refused to submit its books. When the oleomargarine industry is asked by the Finance Committee to produce such data it says, "That is too slippery a subject for us; we cannot afford to bring it up here."

The association maintained that such data simply were not available.

However, from stockholders' reports which have been issued by some of the principal members of the industry, we know that the profit on oleomargarine has ranged from 21 percent to 34 percent on capital investment.

The data compiled by the Department of Agriculture show that the profit margin, as spread between the retail price and the cost of raw materials in the case of oleomargarine, is 1,100 percent greater than the profit on butter.

Let us again compare this picture with the operations of the butter industry, where prices much more accurately reflect costs of production. I remember when I was on a college faculty that college textbooks on economics and monopoly cited butter as one of the relatively few commodities whose prices were set in a competitive market, in an open commodity exchange where anyone may bid and sell.

That is free enterprise. There are too many people roaming around the country talking about free enterprise who do not believe in it. The persons who put up the biggest cry about free enterprise are those who have been monopolizing the industries of the country.

The number of producers of butter now exceeds 3,500—a far cry indeed from the number of oleo producers—28 in all. The profit margin on butter is smaller than on almost any other food product reported to the Department of Agriculture. The costs, expenses, and profits of the butter industry are an open book and were freely reported to the Senate

Finance Committee last year. There is no mystery about costs and prices in butter, as there is in oleo.

The current butter-oleo controversy, therefore, presents two diametrically opposite types of industry organization. In the oleomargarine industry we have an example of an administered-price monopoly of the most modern vintage, fostered and developed by gigantic advertising outlays, and maintaining its price control by all of the new economic techniques which so concern the Federal Trade Commission, the Department of Justice, the Temporary National Economic Committee, and the other groups that have studied the monopoly problem. Oleo is an ideal case study for investigators of administered-price monopolies.

On the other hand, we have the butter industry whose prices are set in one of the few remaining open, competitive, commodity exchanges, and the production of which flows from thousands of small- or medium-sized plants located in every State in the Union.

In conclusion, therefore, Mr. President, I urge that the appropriate committee of the Senate be directed to conduct a comprehensive investigation into the existence of monopoly in the oleomargarine industry. The system of administered prices that exists in this industry exacts its toll from millions of housewives. Southern farm interests have been deluded and preyed upon by this great aggregation of concentrated economic power.

We cannot wait much longer for the Federal Trade Commission to receive authority and funds to go ahead with its investigation. I believe that, instead of acting on the oleo-sponsored legislation now before us, we should attempt to find out what these giant corporations are up to in seeking to escape Federal regulation of their product.

A drop of 25 percent in the price of butter from the present level of 62.5 cents per pound, or a 16.5 cents decline, would mean a loss of \$207,000,000 to dairy farmers. For the milk used in manufactured dairy products other than creamery butter, a decline of 19.5 cents per pound of butterfat would result in a loss of \$213,000,000. Assuming that a third of the milk used for fluid milk and cream would directly reflect the same decline of 25 percent, a loss of \$145,000,000 would occur, at a time when farm income is going down, at a time when farm machinery has gone up an average of 26 percent and farm prices have gone down an average of 52 percent.

This is no time to hurt the farmers. Dairy farmers are the backbone of a diversified farm economy and should be protected. The Members on this side of the aisle should be particularly aware of this fact.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator seems to be surprised that so many on this side of the aisle are supporting the bill. I believe the Senator participated in the writing of the Democratic platform.

Mr. HUMPHREY. Proudly so.

Mr. FULBRIGHT. And the platform contains a plank, in the writing of which the Senator participated—

Mr. HUMPHREY. Proudly so.

Mr. FULBRIGHT. Calling for the repeal—

Mr. HUMPHREY. For the repeal of the oleo tax, and that is exactly what we are doing.

Mr. FULBRIGHT. Oh, no; the Senator knows very well that is a subterfuge. The only way to interpret that plank is that oleo be freed from the restrictions imposed on it.

Mr. HUMPHREY. Since the Senator seems to be very much interested in having all the planks of the Democratic platform carried out, may I say that there are a few others with which we have had some trouble in the Senate, such as the civil-rights plank. The Democratic platform says, "We stand for the repeal of the oleo tax," and that is exactly what our substitute proposes, repeal of the oleo tax. The Democratic platform did not say that we stand for the repeal of a regulation which prevents fraud. We said we stood for the repeal of the oleo tax, and as a member of the platform committee, and a member of the committee on the drafting of the platform, I knew full well what was in that platform. If the Senator from Arkansas will stand with me on the Democratic platform, we are going to have some real results, because in that platform we have an anti-poll-tax plank, an antilynching plank, and a fair employment practices plank.

Mr. FULBRIGHT. I have never pretended that I approved those, and I do not think there is any reason to interpret the platform as meaning that we were for a repeal of the tax and at the same time were for destroying the industry. The only reasonable interpretation to be made is that we would free oleo of the restriction put upon it by law 60 years ago. If the Senator's interpretation is correct, of course, that plank is completely meaningless. His interpretation is that we should remove the tax and kill the whole industry by preventing the shipment of the product in interstate commerce.

Mr. HUMPHREY. My interpretation of the platform is only that which would come from the average, normal mind. I read in the platform that we stand for the repeal of the tax on oleomargarine. There are no footnotes, there is no description, it is merely for a repeal of the tax, and that is exactly what we are proposing in our substitute, a repeal of the tax on oleomargarine. But not only do the producers of oleo want the tax repealed, but they are interpreting the platform to mean that there should be abolition of the butter industry. We did not put that in the platform. If we had put it in the Democratic platform, what a great crowd there would have been on the other side of the aisle.

The farmers of this country had some idea what was in this platform. Ask our Republican friends. They will state that the farmers had a great deal to do with this platform and with what happened in the election.

Mr. FULBRIGHT. The Senator is on the side of two and a half million as against one hundred and forty-seven and one-half million. Does not the Senator know of the opposition of the labor organizations? Is the CIO for the repeal of the tax?

Mr. HUMPHREY. I understand the CIO is for the repeal of the tax, and so is the Senator from Minnesota.

Mr. FULBRIGHT. And the Senator interprets the position of the CIO to be for the repeal of the tax and the destruction of the industry.

Mr. HUMPHREY. The Senator from Minnesota has learned never to interpret. He reads and tries to understand what he reads. The labor movement speaks for itself and does so very well. The Senator does know that some representative of the American Federation of Labor stands with us on the substitute.

Mr. FULBRIGHT. How does the Senator explain the result in the Ohio election, the last time the people had an opportunity to pass on this question?

Mr. HUMPHREY. The Senator from Minnesota has never tried to interpret the results of any Ohio election, either this one or the one to come in the future. I have enough trouble in Minnesota without trying to interpret results in Ohio.

Mr. FULBRIGHT. The Senator is leaving the impression that the people of Ohio are somehow peculiar and different from the people of Minnesota.

Mr. HUMPHREY. No; the Senator is leaving the impression that the people of Ohio are masters of their own destiny.

Mr. FULBRIGHT. He knows they voted for the abolition of the restriction on oleomargarine. Does the Senator think the same principle should be applicable to the cheese industry, and that there should be many little factories in each State, and no shipments from other States?

Mr. HUMPHREY. I do not like to be taken into a discussion of the doctrine of eventualities. I prefer that we confine ourselves to the legislative proposal at hand, which is that of preventing fraud of the consumer.

Mr. FULBRIGHT. I should like to, also, and if we can get an agreement to vote, I should like to make the time any hour the opponents are willing to have a vote taken. I hesitate to say this is a filibuster, but, after all, some of the leaders have been very reluctant to speak on the question before the Senate. A week has passed, and only three speeches have been made by the opponents. We are perfectly willing to vote on the bill today, now.

Mr. HUMPHREY. I told the Senator yesterday that we all stand ready to cooperate with him to arrive at a unanimous-consent agreement to get a vote. I agree that prolonged and extended debate that borders on the nature of a filibuster is beneath the dignity of this body, and I think we should come to a decision.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GILLETTE. I was very much interested in the statement made by the

Senator from Arkansas [Mr. FULBRIGHT] that up to now there had only been three speeches made in opposition to the oleo bill. Up to now there has been only one speech made by the proponents of the Poage bill. While it was a magnificent speech, and worthy of any Senator, yet it is the only real speech which has been made here by the proponents of the Poage bill up to the present time.

Mr. FULBRIGHT. Mr. President, I appreciate the Senator's comment.

Mr. HUMPHREY. Mr. President, the junior Senator from Minnesota would like to carry on and complete his speech, Mr. President, so we can some how meet the offer of the Senator from Arkansas to conclude this debate.

Mr. GILLETTE. Mr. President, will the Senator yield once more?

Mr. HUMPHREY. Yes; I am happy to yield to the Senator from Iowa.

Mr. GILLETTE. Noting the nervousness of the Senator from Arkansas, I can readily understand his anxiety to conclude the debate when such a speech is being made as we are hearing here today.

Mr. HUMPHREY. Mr. President, I thank my distinguished colleague from Iowa.

One of the first victims of this monopoly, therefore, will be the American dairy farmer and his family, another small-business victim to monopoly control. The consumer may well be the second victim of this monopoly control.

THE GILLETTE-WILEY SUBSTITUTE

The Gillette-Wiley substitute amendment, of which I am a cosponsor, is one I shall support because it comes close to reconciling the need of removing all taxes and license fees on oleomargarine at the same time as it maintains fair competition between the two commodities. In principle, it is similar to scores of fair trade laws undertaken to protect small businesses against the encroachments of big business and growing monopoly. Fair trade laws are a kind of price which the American society must pay to protect itself against the injustices, oligarchical tendencies, and eventual prohibitive cost of monopoly control. Whatever temporary price benefits the consumer may believe that he gains from allowing the potential monopolies to stifle, ensnare, and strangle the small-business man and the small farmer, will soon prove to be completely illusory and, in fact, a serious and grave body blow to American freedom as our economy grows more and more monopolistic and controlled.

I have emphasized throughout my whole speech that whatever temporary little relief seems to come to the consumer will represent a dear price to pay for what will ultimately happen in the long run, once the source of our competitive economy has been either severely damaged or destroyed. The price we pay in supporting the American small-business man and the American farmer is indeed a small one when we examine the vital role played by the American middle class, and when we see the advantages to our democracy of preserving as large an area of competition as we can to withstand the encroachments of big business.

That, Mr. President, is my case before the American people.

In conclusion, Mr. President, what are the arguments of those supporting H. R. 2023? First, oleo taxes will be repealed. That is no argument. This argument, Mr. President, is met and fully answered by the amendment in the nature of a substitute of which I am a cosponsor and am actively supporting. The Gillette-Wiley substitute repeals all oleo taxes.

Secondly, the argument of those supporting H. R. 2023 is that by removing restrictions on colored oleo, specifically yellow-colored oleo, we protect the interests of the consumer. Now let us examine this latter argument. The legislation that I am supporting does not deny the right to produce and sell oleo either in interstate commerce or within a State.

Oleo in its natural form, oleo that has been bleached, that has added preservatives, that has added vitamins, that has added synthetic flavor making it resemble and taste like butter, is given full opportunity to be sold in interstate commerce. The consumer can get oleo if the consumer wants it. The consumer can get oleo, but not oleo that masquerades as butter, that perpetuates a fraud on the people.

In the course of my remarks I pointed out that an oleo-processing plant capable of producing 40,000 pounds of oleo per day can be established at a minimum cost of \$75,000, this according to the testimony of the Department of Agriculture. If those who are interested in oleo and not in oleo monopoly want to sell yellow-colored oleo, the solution to their problem lies in the construction of hundreds of small oleo-producing plants producing within the several States, rather than 28 producers throughout the United States, five of which do better than two-thirds of the business. The Gillette-Wiley substitute does not provide for the elimination of oleo from the consumer and producer market. The Gillette-Wiley substitute is an attack upon monopolistic-administered prices and monopolistic production in behalf of the consumer and his welfare.

I wish to elaborate upon this point. The public policy of our Government has been for the establishment of what we call fair trade standards, and the control, regulation and elimination of monopolies. I recite as evidence the passage of the Sherman Antitrust Act, the Clayton Act, the Federal Trade Commission Act, the Pure Food and Drug Act, and the Robinson-Patman Act and the Miller-Tydings Fair Trade Law. The established public policy of the Congress of the United States is that of maintaining conditions of fair competition and standards of fair trade. Patent laws and copyrights are further evidence of the will of the Government to protect the channels of trade and the property rights of individuals.

It is a strange coincidence that the oleo bill comes before the United States Senate at the same time that an open attack is being launched upon the Federal Trade Commission, the Sherman Antitrust Act, and the Robinson-Pat-

man Act. These are the bulwarks of free enterprise and the protectors of a competitive economy. Yes, Mr. President, the forces of monopoly in this country are diligently about their business to undermine a competitive business economy. In the process of doing this they appeal to the consumer, which is an old technique, an old game on the part of big business. The arguments we have heard in behalf of oleo are the same as the arguments which are being made throughout the country on the part of the cement industry and on the part of the steel industry, in their fight against the Federal Trade Commission and its rulings on the basing point. It is the same technique that is now being used by the A & P stores in their battle against the Antitrust Division of the Justice Department. Monopolistic big business has carried on a propaganda campaign that is attempting to mislead the American people into believing that bigness is to the best interests of the American consumer. To be sure, bigness within itself is not an evil. It even may be a necessity. But bigness that incorporates within itself a control over a market, control over prices, control over distribution, and ultimately control over the producer of the raw material is regimentation, is un-American and is destructive of the individual property rights and economic liberties of the American citizen. The oleo interests are hand-in-glove with big steel, big cement, big oil, and petroleum and all the other corporate monopolies of this country. The evidence is here to support this conclusion.

Now the question we must ask ourselves on the issue of oleo, as on all issues that pertain to monopoly, is this: Will the short-run advantages of an administered, controlled, and regulated low price that is used to kill off competition be to the long-run interest of the American consumer?

In other words, are we to permit ever-growing concentration of economic power which buys its way into the market by discriminatory prices and all the other techniques of the trade, to destroy our competitive economic structure?

That is the issue. The issue is not the consumer. The consumer is protected by a good product. The consumer can buy butter, the consumer can buy oleo. He can buy colored oleo. The issue here is whether or not we are going to prevent, by the law of the land, a greater infringement of economic power.

Are we to permit 28 oleo companies to undermine the economic well-being of 2,500,000 dairy farmers and 3,500 creameries, and 40,000 local dairy processing plants? Are we to permit this with the approval of the Government of the United States when both political parties, the Republican and the Democratic, have stated again and again to the American people that monopoly is the enemy of a free economic system, and that monopoly is but the first step toward a regimented and controlled economy? Surely the consumers of America should not be misled into believing that there is any advantage, either in price, in quality, in efficiency of

production and distribution, in monopolistic enterprise. The testimony before the Congress of the United States, the records in the Department of Justice and in the Trade Commission are filled with evidence that monopoly is not only conducive to inefficiency and high prices, but is a dangerous threat to the political and economic liberty of the American people.

This, Mr. President, is my case before the American people. The issue is clearly drawn. Are we to turn over another segment of the American economy to the cartels, to the monopolies, or are we to fulfill our pledges of democratic faith by preserving, through the law of the land, the conditions of competition and economic opportunity?

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Maybank
Anderson	Hayden	Morse
Brewster	Hendrickson	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	O'Connor
Butler	Holland	Robertson
Byrd	Humphrey	Russell
Cain	Hunt	Saltonstall
Capehart	Ives	Schoeppel
Chapman	Jenner	Smith, Maine
Connally	Johnson, Tex.	Smith, N. J.
Cordon	Johnston, S. C.	Sparkman
Darby	Kefauver	Stennis
Donnell	Kem	Taft
Douglas	Kilgore	Taylor
Downey	Knowland	Thomas, Okla.
Dworshak	Langer	Thomas, Utah
Eastland	Leahy	Thye
Eaton	Lehman	Tobey
Ellender	Lodge	Tydings
Ferguson	Long	Vandenberg
Flanders	Lucas	Watkins
Frear	McCarran	Wherry
Fulbright	McCarthy	Wiley
George	McFarland	Williams
Gillette	McKellar	Young
Graham	McMahon	
Green	Magnuson	

The PRESIDENT pro tempore. A quorum is present.

Mr. YOUNG obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. YOUNG. I yield.

Mr. MAGNUSON. As one of the sponsors of the so-called Wiley-Gillette amendment, I intended to make some remarks outlining my position. But I have just received a letter from Mr. W. J. Knutzen, president of the Skagit County Dairymen's Association in my State, which so aptly and intelligently states the issues involved that I am going to refrain from making the remarks I had intended to make, and ask unanimous consent that Mr. Knutzen's letter be placed in the RECORD at this point, as expressing completely my views on this question.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SKAGIT COUNTY DAIRYMEN'S ASSOCIATION,
Burlington, Wash., December 31, 1949.
Hon. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.

DEAR SENATOR: When Congressman HENRY JACKSON was to be in Burlington last week,

we left word to call us if you could be with him. We wanted to place our case on the yellow oleomargarine problem before you with all the details possible so that you would know how serious the problem has become. When the House passed H. R. 2023, the dairy industry started on a decline which will be given an added kick if you can't stop or kill it in the Senate. Since we could not meet you, we will do the best we can on paper. Of course, we realize you already know fully what the consequences are if H. R. 2023 passes and yellow oleo has free distribution.

At present, the Navy is selling yellow oleo right in our back yard at Whidbey Island. Why is the Government buying millions of pounds of butter and then selling yellow oleo to our armed forces?

In our own State, where yellow oleomargarine sales are illegal, we have a clean-up job on our hands. Many restaurants are still mixing butter and oleo for sandwich spreads, but we feel we can lick this one if our country does not allow national legal distribution of margarine colored yellow to imitate butter. On the other hand, if H. R. 2023 passes, it won't be long before we lose our law in this State against sale of yellow oleomargarine. There would simply be too much money spent by the vegetable oils processors to compete with their propaganda.

Our national economy is threatened now. Dairying, combined with beef, is the largest single agricultural crop in this Nation. When 90 percent of veal and 40 percent of our beef comes from dairy herds, we shouldn't allow either imports of dairy products or infringement on dairy products such as yellow margarine. You know that 20,000,000 pounds of cheese is slated for import by the end of 1950. Five million pounds is already here—and at half the price of local cheese. That cheese will replace local cheese to the tune of 8,000,000 pounds of butter, which will have to be made, or we will just simply lose more cows.

Newspapers are carrying predictions (Babson) that milk production will be up in 1950. We heartily disagree with this prediction. Our factory shippers number 1,200 and our grade A shippers number only 315. We can see that some increase could take place in A grade milk in some parts of the Nation where they are short of bottling grade milk but we already have a surplus in almost every major market right in the middle of winter. We also point out that the factory shipper, if not given some protection, will fade from the picture. Secretary Brannan has just announced lower support prices for dairy products. Since these all affect the factory shipper, his immediate 1950 income will drop. That means a drop in national income, which in turn can be multiplied several times over the value of the raw materials. Transferring our butter business to a vegetable product is short-sighted economy even to the grower of those crops from which the vegetable oils and fats are derived. You know that concentrates fed to cows from that source aids in keeping comparatively low vegetable oils and fats selling prices so they can compete with imported fats and oils. By eliminating the dairy herds, this concentrate market will be lost and imported oils will replace local products in our opinion.

From your statements to us, we know that you are as conversant with these problems as we are. However, you may need support in backing up your stand by additional testimony and we want you to know that we are willing to carry out any plan by which you will be supplied with this material. That House bill 2023 is a menace of the first order to us. We do hope you can kill it in the Senate.

Sincerely,

W. J. KNUTZEN,
President.

Mr. YOUNG. Mr. President, I wish to speak in opposition to House bill 2023, the bill sponsored by the able Senator from Arkansas [Mr. FULBRIGHT]. Passage of the Fulbright bill in its present form would do a grave injustice to the 2,500,000 dairy farmers in the United States and also, in my opinion, to the great consuming American public.

The dairy farmers, while they believe they are entitled to the protection they have had for years through the tax which has been applied to oleomargarine, are perfectly willing that these taxes be repealed allowing oleomargarine to be sold subject to the laws in the various States. At the same time, they believe, and justly so, that they must have protection against fraud and imitation of their product which has been recognized as one of the most essential foods of all families for centuries.

After talking with consumers in almost every walk of life, I find that they, too, want at least some protection. They want to know, for example, when they are making purchases in markets of dairy products, whether or not the product they are buying is a real dairy product or an imitation. The millions who eat 65,000,000 meals a day in restaurants and cafes, too, want to know what kind of butter is being served them, whether it be real dairy butter or a substitute.

It is regrettable that manufacturers of margarine have seen fit in recent years so to label their product that the average consumer does not know which product he is buying. For example, many margarine products are being sold on the market with a picture of a dairy farm on the package, or advertised with such phrases as "freshly churned" or "country sweet," or labeled in other ways to indicate that they may be real dairy butter when in fact they are only substitute products.

It is this fraudulent method of selling a substitute product which dairy farmers are violently opposed to and have every right to be. It is my opinion that many hundreds of thousands of consumers have been eating margarine in recent years believing, because of the label on the package which implied it was dairy butter, that it actually was. The dairy industry asks only for such regulations of substitutes as may be necessary to protect the producers and consumers. Butter can be identified at sight only by its naturally yellow color. Whenever vegetable-oil food products are readily identifiable by taste or appearance, consumers will judge by their purchases between the products. This is not possible when a product such as margarine is colored the same as dairy butter and every conceivable method used to even label the package to deceive the public.

Why, in the name of common sense, cannot margarine stand on its own merits, if it is as good a product as its manufacturers would have us believe? Oleo has been allowed to imitate the flavor of butter. It may use preservatives, denied to butter. It is used to imitate the nutritional qualities of butter. It imitates butter wrapping and butter packaging. Dairy farmers are fully aware that this has gone a long way to destroy

the sales of their own product. It has gone a long way to destroy one of the greatest industries in America. In Canada, in a single year of legalized oleo, Canadian dairy farmers have lost \$50,000,000 in butter sales, according to the president of the National Dairy Council.

Mr. President, it appears to be possible that the food requirements of our Nation could be supplied largely by artificial products similar to oleomargarine. Germany, previous to World War II and during the war, of necessity, had to resort to that means. I am told that a large part of both their food and clothing was provided through artificial methods; both food and clothing, for example, being produced in large quantities from coal and wood pulp. I shudder to think what would happen to our economy here in the United States if we applied that philosophy. It would mean a bankrupt agriculture and eventually a bankrupt Nation.

How far and fast we can safely move in the direction of substitute foods, displacing purely agricultural products, is a question that ought to receive serious consideration. At one time approximately one-half the population of the United States was engaged in agriculture. At the present time, approximately 18 percent only of our total population is engaged in farming.

The complete substitution of dairy butter in the market places by oleomargarine would be another step in that direction and would do untold injury to our whole farming economy. Presently, there are approximately 2,500,000 of our farmers engaged in dairying. If our butter markets are to be lost or the price demoralized, a large part of this 2,500,000 people would, of necessity, have to engage in other types of farming or move into the cities, seeking employment in an employment market that is already well supplied.

I wish to point out, too, Mr. President, that in the field of agriculture we have plenty of economic problems. Farm prices have generally declined as much as 50 percent and more in the last 2 years. This decrease in farm income is already being felt in our national economy, and primarily through reduced farm purchasing power and lowered income-tax returns. The future outlook for agriculture is far from bright, and here we have on the Senate floor today the oleomargarine bill which, if passed, would deal another severe blow to agriculture.

If this oleomargarine bill should become a law, as I have pointed out, great numbers of American farmers would have to convert their farms to another type of agriculture. It is obvious that there is little opportunity in this direction. Our farmers are already required to reduce their wheat acreage by 25 percent and more. Cotton, corn, and almost every other type of farming is facing like curtailed production programs if we are to maintain even a meager minimum price for agricultural products.

Even while the problems of agriculture increase day by day, we are importing great quantities of agricultural products. There are a few astounding examples.

While our production of rye in the United States is almost at a record low, we have imported in the past 6 months more than twice as much as we have exported. This at a time when markets were available to us in Austria, Germany, and other countries, if the administration would only see fit to take advantage of them. About a year and a half ago, we gave England, through ECA, \$354,000,000 to purchase wheat in Canada. Approximately 6 months ago, through ECA, the United States again furnished \$175,000,000 to England for the purchase of wheat in Canada. In effect, this gave the Canadian farmers a better farm price support program than that enjoyed by United States farmers. The Canadians, as a result, face no acreage-reduction program as do our farmers.

We have imported many other farm products that could well be produced in the United States. Some of these importation programs could well be carried to extremes, as is, in my opinion, the margarine question now before us. Imports of sugar supplied 48.7 percent of our United States needs in 1949. If protective tariffs of roughly 10 percent were lowered, or completely abolished, of course the American consumers could buy sugar cheaper, but it is admitted by the majority of this Congress that this would be an unwise policy.

There is a great similarity between the problem of the United States dairy interests and the United States sugar producers. Both need protection. In the case of the dairy interests, the producers are willing to go much further than are the sugar producers in that they are willing to eliminate the protective taxes and ask only that it be substituted by the Wiley-Gillette bill, which would provide a protection against the infringement in their market by substitutes in a fraudulent manner.

Mr. President, many argue that we must not stop progress in any direction; that we must allow cheaper foods to reach our markets, regardless of the consequences to our producers. We have pursued this course much too far already. If we keep moving further in that direction, we shall find ourselves in the same position we were in during that disastrous period for agriculture from 1930 to 1940. During that period, every State in the Midwest, the greatest farm producing area in the United States, if not in the world, lost large percentages of their population. These farmers, during that period, moved to the cities on the west coast and east coast of the United States, seeking employment when there was little to be had. In North Dakota at that time we lost 18 percent of our population, and even to this day have not regained the total amount of population enjoyed in 1930. Most other agricultural areas are in a similar position.

This population shift was made necessary because there was not a single phase of agriculture which was profitable in that era. Iowa, one of the most fertile agricultural States of all, suffered just as severely, if not more so, than other States during that period.

What I am trying to point out, Mr. President, is the great need at this par-

ticular time to protect all segments of our agriculture if we are to prevent another depression far more disastrous than was the past one.

Mr. President, in the bill now before the Senate, the farmers directly affected are the dairy farmers, cotton farmers, and soybean farmers.

The dairy and cotton farmers have long been established in the United States, and both have contributed much to the building of the Nation's commerce and economy. Cotton, however, is grown principally for its fiber. Cottonseed oil is a byproduct. Milk, on the other hand, is the only product of the cow, and its only use of any importance is for food. About 27 percent of all our milk is manufactured into butter, the form in which it may best be stored and shipped.

Cotton farming depletes the fertility of the soil, while dairy farming builds it up. Sections of the country which have pursued cotton farming for long periods have found it desirable to introduce dairying as a method of diversification and to build up the soil. Much time and effort have been expended in many communities, not only in the South but elsewhere, by businessmen, bankers, and civic clubs to foster dairy farming as an important factor in improving agriculture. Dairy farmers furnish a large market for cottonseed cake, which is a byproduct of cotton farming, and which brings the cotton farmer more money than he gets for cottonseed oil used in oleo.

Any policy that results in replacement of butter by oleomargarine will result in a decrease in dairying, a decrease in the cotton farmers' market for cottonseed cake, and an increase in his cost for fertilizer.

Soybean oil does not make as good a quality of oleomargarine as does cottonseed oil. There are so many diversified markets for soybeans and for soybean oil that it is not necessary for them to find a market by invading the dairy field.

Nothing is gained by the Nation if one element in our agriculture is to be built up only by tearing down another.

In my own State of North Dakota sales of dairy products account for 6 percent of our total farm income. Sales of North Dakota farm products used in oleomargarine account for only five one-thousandths of 1 percent of the State's total farm income. More than 92 percent of all the milk sold in North Dakota goes into butter. There is no metropolitan market that could absorb the fluid milk produced in North Dakota and many of its surrounding States, if butter markets are handed over to oleo.

Diversified farming, of which dairy farming is one of the most important single elements, is essential in soybean-growing areas and in cotton areas.

Mr. President, great soil conservation authorities have spoken from time to time on the role that dairy farming plays in conservation of the soil. I wish to quote here briefly from one of the most eminent world authorities on the question of soil conservation, Dr. H. H. Bennett, Chief of the United States Soil Conservation Service:

Few, if any, other kinds of farms respond more promptly and satisfactorily to soil and

water conservation, cropping, and pasture management measures than does dairy farming.

O. E. Reed, Chief of the Bureau of Dairy Industry, United States Department of Agriculture, says:

No farmer has a better opportunity to keep his farm land in a high state of fertility and productiveness than the man who markets his crop through good dairy cows.

We would do well here today to heed the warning of Dr. Bennett, Mr. Reed, and others on this all-important subject of soil conservation.

Mr. President, we are wisely spending hundreds of millions of dollars annually on soil-conserving programs. This program not only should be continued but greatly accelerated if we are to avoid the tragedy of other once great nations of the world which failed to recognize this great need. The dairy farmer conserves his soil without Federal subsidies, by returning to the land much of what he takes from it. Destruction of our dairy industry through legislation such as is now pending before the Senate would in a large measure nullify much of our laudible efforts toward better conservation of our greatest asset of all—our soil fertility.

History demonstrates that the leading nations of the world are and have been those which consume the greatest quantities of dairy products.

The progress made in recent years, in which oleomargarine has gained a large part of the butter market, has encouraged the vegetable-oil people to make inroads into the market for other dairy products. Vegetable oils have been substituted for butterfat in ice cream. Vegetable oils have been substituted for butterfat in evaporated milk.

The Fulbright bill, if it became a law, would open the door to more and more substitution in these vitally important food products. While cotton farmers, through greater use of cottonseed in the manufacture of oleomargarine, temporarily benefit, it would, in my opinion, only be a short time until cheaper foreign oils would take the place of cottonseed.

The total per capita consumption of fats in the United States remains about constant, so an increase in consumption of vegetable fats results in decreased consumption of dairy products. The nutritionists agree that our national consumption of dairy products should be greatly increased for the well-being of our people. There is ample market for vegetable oils in the forms of shortenings, cooking compounds, salad oils, and industrial products. That is, if we can prevent the importation of these from other parts of the world, which can produce far more cheaply with low-price labor.

Mr. President, undoubtedly the passage of the Fulbright bill would give a temporary advantage, small though I am sure it would be, to cotton producers. There will be little, if any, advantage to the consumers of the United States. Most of the production of oleomargarine is in the hands of a very few tremendously large corporations whose records do not indicate that they are willing to pass on much, if any, of their savings

to the consumers by way of lower prices for oleomargarine.

In my opinion, if the Fulbright bill should pass, the consumers in the future would be paying even more for this product. It would go a long way toward destroying the economy of two and one-half million small dairy farmers.

I sincerely hope that the Wiley-Gillette substitute will be approved. This substitute, while not all that dairy farmers would like and are entitled to, will in some measure protect the great dairy interests of this Nation.

I add in closing, Mr. President, that I know of no other subject which is closer to the hearts of the dairy farmers than is the bill now pending before the Senate.

The PRESIDING OFFICER (Mr. SCHOEPPPEL in the chair). The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY].

Mr. BUTLER. Mr. President, in studying the issue that is before us today I hope we may all realize that the importance of the action we take may run far beyond the direct interests of the butter and oleomargarine producers. We are discussing a proposal that the Federal Government should facilitate an effort by one industry—the oleomargarine industry—to persuade the American public to use a highly refined, processed and synthetic product as a substitute for natural butter. We are doing more than that. We are encouraging the oleomargarine industry to tailor its product as to color, taste, smell, size, and in every other way exactly like butter, so that the consumer will not be able to tell whether it is butter or not unless he looks at the label, and unless the label is honest.

I recall that a few days ago the distinguished Senator from Arkansas [Mr. FULBRIGHT] spoke of artificial leather as a substitute for natural leather, rayon as a substitute for cotton, and referred to other similar imitations. At least none of those products went into the human stomach. I realize that we live in an age of synthetics, but I do not believe that we ought to try to fill the needs of the human stomach with synthetics when the original product of nature is still plentiful. I believe we should at least exempt the human biology from this invasion of additional substitutes. Furthermore, I believe that if we accept the pending measure we may set a precedent which will make it difficult to reject any other product which may be subsequently developed as a substitute for any other natural food.

Mr. President, there is vastly more to this oleomargarine-dairy controversy than meets the eye at first blush. Many aspects of the problem are well known to us, and to a large segment of the general public as well. There are some, of course, who have been swayed in their evaluation of the issue by the high-pressure propaganda tactics employed so ingeniously by the oleomargarine industry's high-salaried, high-powered lobbying, publicity and advertising staffs. There are still others whose selfish personal interests blind them to the real factors involved in this case. But no one with even the sketchiest knowledge of our delicately balanced farm economy

denies that a monopoly by the powerful oleomargarine trust of the American table-spread market would bring economic chaos to our 2,500,000 dairy farmers. Anyone with even the most superficial comprehension of this Nation's economic history readily concedes that the butter market is the inexpendable balance wheel of our great dairy industry, and that our vital dairy industry is the inexpendable stabilizer of our entire agricultural economy. For it is a truism among economists that every major depression we have suffered in this country started in agriculture. And currently declining dairy prices indicate that the dairy industry is already on the brink of a real recession.

Mr. President, from the standpoint of the dairyman, the effect of this bill would be to permit oleomargarine to invade the market for butter and destroy that market for the butter producer and the producer of dairy products. That is the sum and substance of it. That apparently is the purpose of some of the sponsors of it. That is the reason why some of us who are familiar with the problems of the farmer are against it.

ENDANGERS SOIL CONSERVATION

No informed person will question the prediction that dairy farmers in every part of this Nation, if confronted with the loss of the butter market, the only equitable outlet they have for 27 percent of their total milk production, would be compelled to slaughter millions of dairy cows virtually overnight. Moreover, Mr. President, in this respect, agronomists and farm experts generally concur that loss of such large numbers of dairy cattle would strike a fatal blow at the very taproots of our national soil-conservation program. This is so because these dairy animals, which perform such a miraculous cycle of efficiency in the course of their existence, contribute to our good earth the very essence of fertility; the fertility for which this Nation is justly famous the world over; fertility that provides us with most of the basic foods to preserve the health and energies of the people of this Nation, and of the people of numerous other nations less fortunate and farseeing than we. In this connection, I urge this body to consider nations such as China, India, and Africa, which have neglected the cultivation of their soil, which have devaluated their dairy industry and failed to practice animal husbandry. Then compare those countries with Denmark, Switzerland, Sweden, Holland, and the other agriculture conscious nations. In the first group we find people who are undernourished, impoverished, and disconsolate. While in the other group we find well-fed, well-clothed, prosperous healthy, happy people. I say, therefore, that men of vision will not fly in the face of fate by permitting the oleomargarine trust to doom our historically vital dairy industry, which provides our two most nearly perfect foods—meat and milk—foods indispensable to an adequate diet for every man, woman, and child in America.

MEAT AND DAIRY PRICES WOULD SKYROCKET

By the same token, Mr. President, no Member of this body who has perused the records of past hearings on the oleomargarine issue can rationally refute the documented statements of reputable farm experts who contend that the slaughter of millions of dairy cows will eventually result in an unprecedented scarcity of beef, and veal, and milk, and cream, and cheese. They further predict that such an eventuality would skyrocket the prices of these essential foods, and of all other dairy products as well. This condition would be inevitable since, apart from milk, 40 percent of the Nation's supply of beef and veal is derived from our dairy cows. Consequently, a full-scale massacre of dairy cattle would naturally greatly reduce the reproductive source of calves and the cycle of perpetuation would thus be appreciably narrowed.

PERFECT IMITATION OF BUTTER INSURES OLEO MONOPOLY

Some misinformed individuals have questioned the contention that bankruptcy would befall the dairy farmers of this Nation if the 28 oleo corporations were to capture the butter market. Some have been bold enough to express doubt that oleomargarine, colored yellow in exact imitation of butter, could capture the butter market. But how can anyone doubt this, when the synthetic product, oleomargarine, would then not only smell and taste like butter, but would also look exactly like butter?

The fact remains, Mr. President, that we have only to examine the evidence inserted in the records of the hearings to realize how easily such a monopoly could be engineered. One has only to know that 5 of the 28 oleomargarine corporations in this country manufacture 68.4 percent of all of the oleomargarine used in the United States. Furthermore, 40 percent of the world's total consumption of oleomargarine is manufactured by a single company, the giant Unilever empire, which is the parent European company of Lever Bros. This is not rumor, Mr. President. Cables received from the special services division of International News Service, who conducted an objective survey of Unilever, Ltd., of London, were entered in the CONGRESSIONAL RECORD. These cables reported that Charles Luckman, president of Lever Bros Co., had stated in London that the John Jelke Co. of Chicago, purchased recently by Lever Bros., would ultimately expand its operations to all of the 48 States, and that Lever Bros. planned to build oleomargarine plants on both the east and west coasts. Certainly this leaves little to the imagination concerning Mr. Luckman's and Lever Bros.' and Unilever, Ltd.'s aspirations in the United States of America.

FRAUD INEVITABLE

Those of this body who have examined the official records of the oleomargarine hearings know also that an investigation conducted recently in the State of Arkansas, revealed that 66 out of 100 restaurants in that State were illegally

serving oleomargarine colored yellow in exact imitation of real butter. The most pertinent and enlightening facet of this investigation, however, is the startling fact that Arkansas has an oleomargarine law in effect which is virtually identical to the oleomargarine measure now awaiting action by this body. The Arkansas law permits the serving of yellow oleomargarine in restaurants, provided customers are informed of the substitution by posted signs and by mention in menus. Nevertheless, 66 percent of the restaurants investigated were serving yellow oleo illegally, and not 1 of the 100 restaurants displayed a sign of any kind concerning the substitution, or made any mention in their menus of the switch. To fully appreciate the import of this comparatively limited investigation, this body must consider that Americans eat 65,000,000 restaurant meals every day in the year.

ENFORCEMENT INFEASIBLE AND COSTLY

Some may argue that the solution to this fraudulent use of yellow oleo is rigid enforcement. In answer to that, let me say, Mr. President, the Bureau of the Budget and the Pure Food and Drug Administration have estimated that it would cost the taxpayers five to six million dollars annually, and would require employment of a minimum of 950 additional Federal agents, to make only a single check each year of every restaurant in this country. They concede, however, effective enforcement could not be achieved with less than one inspection each month. Simple arithmetic tells us, then, that this would involve an expenditure of \$60,000,000 annually and employment of 11,450 additional Federal agents. But even then we would have no assurance that the very lucrative yellow oleo fraud could be controlled.

FRAUD WOULD NOT END IN RESTAURANTS

There is still another fraud possibility to examine. The profit on a pound of oleo is approximately 3 cents and the profit on a pound of butter is a quarter of a cent. It would, therefore, not astonish students of human nature if thousands of unscrupulous tradespeople were to palm off yellow oleomargarine as butter. In fact, testimony before the House and Senate committees showed that unskilled persons are able to switch a pound of oleomargarine from a 1-pound oleo carton to a 1-pound butter carton in a little more than 1 minute.

GLUT OF ERSATZ FOODS MIGHT INJURE PUBLIC HEALTH

Mr. President, while I realize that the points I have made thus far are known to you and to this body, I was impelled to reiterate them as a preface to my major concern in this issue. I am coming now to that imperative matter. I am intensely concerned lest we pass legislation here which would tend to establish a dangerous precedent for the indiscriminate sale of synthetic foods to the people of America. I am deeply fearful lest America's markets be deluged and glutted with ersatz milk and meat and cheese and an unending procession of artificial, substitute, inorganic foods such as those

that were developed in Hitler's Reich. I am doing considerable research on this subject and I shall subsequently submit here scientific data which have convinced me that the wholesomeness of these chemical food substitutes is, to say the least, questionable. And I shall also show that many of these inorganic foods already exist.

GERMANY DEVELOPING SYNTHETIC FOODS

Mr. President, allow me to prove that the fear I express here is not an alarmist's hysteria—not the figment of an unbridled imagination. Only recently the New York Times reported that two food substitutes had been developed in Frankfurt, Germany, where scientists had attested to the fact that the products tasted and had the same nutritious qualities of milk and meat.

Another reliable report, which was submitted in testimony before the subcommittee of the Committee on Agriculture and Forestry of this body during the Seventy-eighth Congress, stated that a method had been developed in Germany for the manufacture of fatty acids, soaps, and edible fats from petroleum paraffin and from a byproduct of Germany's synthetic gasoline plants.

Actually, during 1937, a factory was erected in Germany for the manufacture of artificial fatty acids and synthetic fatty acids were produced from coal. At that time the Public Health Bureau of the Reich, under the leadership of a certain professor, Dr. Flossner, claimed to have demonstrated what he termed the "high value of synthetic edible fats" after making several experiments. He then released these fats to the public with the statement: "These are the first synthetic food materials in the world for human nourishment." Also in Germany, the first full-scale plant for the manufacture of edible fats was erected. This edible fat was prepared in a multified form as what was called synthetic butter.

FILLED MILK ACT EFFECTIVE

I tell you, Mr. President, that I am deeply disturbed and earnestly fearful that a precedent for the development of such food substitutes might be established in this country. It would seem that Members of the Sixty-seventh Congress in 1923 were assailed by the same fear which now assails me, when they saw fit to pass the Filled Milk Act, to regulate the sale of that synthetic-milk product, which is a combination of vegetable oils and skim milk, to imitate evaporated milk. The Filled Milk Act has proved successful in regulating the sale and manufacture of imitation evaporated milk. But who can say what might have happened to our great dairy industry and perhaps even to the public health had the Congress failed to anticipate the grave potentialities inherent in the uncontrolled sale of an ersatz milk on the American market.

I am unalterably opposed to having every new synthesis compounded by chemists introduced into the food stream of this Nation. I am fearful—and I am not alone in this, for a great many distinguished scientists agree—I am fearful of the deleterious effect which such a synthetic diet might ultimately

have upon the systems of every man, woman, and child in this country.

MEDICAL MEN QUESTION MODERN FOOD-PROCESSING METHODS

Mr. President, Members of this body may recall that not too long ago a group of distinguished medical men, among them pediatricians, nutritionists, biochemists, and professors of medicine, signed and submitted to the Food and Drug Administration a resolution in the name of the Council of Foods and Nutrition of the American Medical Association. This resolution pertained to the establishment of standards for bread and related products. The outstanding aggregation of medical men, who signed the resolution, included such celebrated personages as Dr. Morris Fishbein, editor of the Journal of the American Medical Association; Dr. Philip C. Jeans, professor of pediatrics of the University of Iowa School of Medicine; Dr. James Wilson, secretary of the Council of Foods and Nutrition of the AMA; Dr. George R. Cogwill, professor of nutrition at Yale University School of Medicine; Dr. C. A. Elvehjem, professor of biochemistry of the University of Wisconsin and who is generally regarded as one of the Nation's great biochemists; Dr. Russell M. Wilder, chief of medicine at the Mayo Clinic; Dr. Howard B. Lewis, of the department of biological chemistry, University of Michigan; Dr. John B. Youmans, formerly professor of medicine at Vanderbilt University School of Medicine; these and other distinguished gentlemen of the world of science and of the medical profession, who have investigated the subject of chemical food substitutes in relation to the public health, signed the resolution. I should like at this time to read several excerpts from their resolution:

An increasing proportion of the Nation's food supply is subjected to industrial processing. Accordingly, alterations in processing techniques may have a direct bearing on the quality of the national diet and health. * * *

At the present * * * there is being introduced a new processing practice which the council views with considerable apprehension—namely, the widespread addition of certain surface-active compounds (shortening extenders) to a variety of foods, especially bread and other bakery products. * * *

They are added to foodstuffs during processing in order to aid emulsification. Their use allows the production of a smooth-textured product, often of superior sales appeal, which contains less fat than one made without the extender. In some instances the addition of the agent also permits the lowering of the proportions of other important food ingredients in the product—for example, the use in bread imparts similar properties of freshness as does the use of nonfat milk solids.

Mr. President, I realize it may appear that some of these data have no specific bearing upon the issue we are debating. However, it is all a part of the trend to substitute chemistry for nature. And I am trying to prove that this body cannot afford to promulgate any law which might ultimately become the means of encouraging our successors or our colleagues, in the years ahead, to predicate other, similar laws upon our ill-advised conclusions—conclusions not formed in

the public interest. Toward forestalling such determinations I must give you all the facts at my disposal.

SYNTHETIC FATS STILL UNFIT FOR HUMANS

I can give authenticated facts, Mr. President, relating to potential, chemically produced oleomargarine which follow the same line as the facts I have submitted concerning new processes in the manufacture of bread. For example, in March of 1949 the Nutrition Division of the Food and Agricultural Organization of the United Nations issued a booklet on synthetic fats entitled, "Synthetic Fats, Their Potential Contribution to World Food Requirement." Contained in this booklet is a complete story of the development of synthetic fats to take the place of organic foods. In tracing the possibilities that might arise, the booklet has this to say about synthetic margarines:

No final conclusion on the nutritional value of synthetic fats can be drawn at the present time. The available information emphasized the need for further experimental work.

It would, however, clearly be premature to advocate the large-scale manufacture of synthetic fats for human consumption, pending the collection of more complete and satisfactory experimental and clinical data.

That is a striking example of the point I am debating here. That is a definite indication of what can happen when geni of chemistry set to work to substitute their alchemy for organic fats and oils or any of nature's foodstuffs. Observe their admitted uncertainty as to the final results of this development. Their indecisiveness is patently obvious when they say:

It would, however, clearly be premature to advocate the large-scale manufacture of synthetic fats for human consumption.

Mr. President, I do not wish to make a nuisance of myself through unnecessary repetition, but I must say again that my principal concern in this issue is for the health of the people of America. This body will agree that thus far all the evidence I have presented indicates that science has only a fragmentary knowledge of the effect of these inorganic, synthetic foods upon the human system. Nevertheless, I contend that if we permit oleomargarine to masquerade in the guise of real creamery butter, by passing legislation to legalize the movement of yellow oleomargarine in interstate commerce, we shall be opening the road for an interminable stream of these unproven, laboratory-conceived, chemically concocted inorganic foods.

FRAUD LATENT IN SYNTHETIC-FOOD DISTRIBUTION

Let me go back for a moment to the German report, referred to previously, which appeared in the New York Times. A spokesman, in Germany, in announcing the advent of the chemical food substitutes which had been developed there by a group of Allied and German scientists, stated:

This is potentially the greatest innovation in human feeding since people began to cook. This is a big statement, but it is true. These synthetic foods can be a boon not only to the people of Germany but to hungry areas throughout the world. They are cheap and could be useful in the United States too.

The synthetic foods that this spokesman referred to consist of a combination of protein extracts from such diverse sources as soybeans, peanuts, wood, wheat, corn, and even coal. The synthetic milk produced by this group of scientists is already being distributed in German rations.

The synthetic meat is actually a mixture of 50 percent ordinary meat and 50 percent vegetable proteins. It is prepared in the form of sausages, such as liverwurst and salami. Those two products have also gone on the market in Germany. There was a third synthetic food which they attempted to produce: a 100-percent vegetable protein, but it was rejected because it was not thought to be palatable enough. However, the spokesman stated that experiments were continuing. He said—and there is a fine analogy to be drawn from this:

We can even produce a "roast beef" so that you would not know the difference from the real thing.

SYNTHETIC FOOD "CAPSULES" A POSSIBILITY

That, Mr. President, is precisely what the oleomargarine manufacturers are attempting to do in relation to butter. They are trying to make oleomargarine look and taste so much like butter that you would not know the difference from the real thing. Yes, and that is the paramount evil which this body must nip in the bud now, or else be prepared to see the dairy cow put out of business and our great dairy industry doomed. Then, before too long, we would see synthetic "roast beef," chemical vegetables, ersatz steak, bread and butter, all concocted in chemical laboratories, and piped to the dinner tables of the people of America. Nor is it impossible to conceive that in the course of time these same test-tube geniuses will develop inorganic foods synthesized to a point where perhaps all we shall have to do to be thoroughly nourished, even satiated, will be to gulp a minute capsule, followed by a short sip of water. But I dread to think what would be the effect upon our public health if we had to subsist on this unnatural, man-made chemical diet, from the cradle to the grave.

MEAT INSTITUTE OFFICIAL REPLIES

In this connection, Mr. President, I should like to read to you a short statement made by Wesley Hardenbergh, which some people are apt to regard as biased, since the gentleman is affiliated with the American Meat Institute. Nevertheless, Mr. Hardenbergh made this statement in reply to the report I have just read to you concerning the development of synthetic foods in Germany. Said Mr. Hardenbergh:

This is another of the long series of discoveries as to how people can get the nutrition of meat from a pill, a capsule, the end result of some chemical process, field crops grown for farm animals, minute animal life that swims in the sea, protein derived from sawdust, a combination of powdered vegetables, and so on.

For example, the flavor of meat does not come from monosodiumglutamate. This product is supposed to enhance the flavor of various foods.

For another example, the statement is made that all protein is alike. This emphatically is not true. There are two kinds of

protein—complete and incomplete. Meat is a complete protein food.

NO PROOF SYNTHETIC FOODS HARMLESS TO MAN

This statement, regardless of its source, makes sound sense to me. The recurring, blatant fact which unceasingly continues to disturb me is that everywhere I seek information, every avenue and channel of research I pursue, fails to disclose a single scrap of conclusive evidence that these artificially conceived and artificially produced foods if consumed over long periods of time would not be deleterious to human beings. I have discovered innumerable references and statements by chemists, biochemists, nutritionists, doctors, and scientists relating to experiments with synthesized, artificially produced foods on rats, rabbits, and other animals. But not a single word can I find that unconditionally attests to the harmlessness of these synthetic products to man.

LAWMAKERS CANNOT AFFORD TO BE CASUAL

It is true that several toxicologists and nutritionists recently testified before the Food and Drug Administration in support of certain manufacturers' claims that their products were harmless. Bear in mind, however, that these witnesses were brought there by the manufacturers of the products then under scrutiny. You may also recollect that many unexplainable irregularities—involving the deaths of rats, dogs, and other animals who had been fed the substitute foods then under discussion—were revealed at these hearings by the representatives of the Food and Drug Administration. One doctor of medicine on the pay roll of the Atlas Powder Co. testified to the effect that in the course of experiments quantities of the Atlas Co.'s chemicals had been fed to some 60 medical students for the period of a month, and that a large segment of these students reported manifestations of diarrhea, belching, pruritis, itching, and other symptoms. When I read that testimony, Mr. President, the thing that impressed me most forcibly—and I know it must have similarly impressed some of my colleagues in this body—was the casual manner in which the witness, after having made the admissions I have just described, dispensed with the subject by simply stating that all the so-called side effects disappeared after the first 2 weeks of feeding.

FOOD LAWS LACK TEETH

I believe most strongly that we would be criminally negligent in our sworn duty were we to emulate that complacency. Conversely, perhaps we should adopt as our catechism the statement made by Dr. R. M. Wilder, professor of medicine of the Mayo Clinic, in Rochester, Minn. This distinguished medical professor made the following comment during a speech before the National Nutrition Conference in this very city, in May of 1941:

The machinery for Government regulation of foods was devised to prevent the sale of spoiled, adulterated, or misbranded foods. With notable exceptions in certain bureaus of the Department of Agriculture, little attention has been given to the nutritive qualities of human foods. The interest in general has been more in protecting pocketbooks than health. Also unhappily some food leg-

islation has discriminated in favor of special interest groups with large political influence to the detriment of the public at large.

DAIRY FARMERS DO NOT SEEK TO RETARD WHITE OLEO TRADE

Mr. President, it would perhaps be apropos at this time to remind this body that the dairy farmers are not in the least concerned about fair competition with the oleomargarine industry. In fact, the dairy industry has no desire to suppress the sale of oleomargarine in its natural, white, form—the most economical form in which the public can purchase the product. Consequently it can be stated here that the dairy industry—the farmers and those of us who are supporting and cosponsoring the Gillette-Wiley substitute amendment—coincide in our desire to protect the pocketbooks as well as the physical well-being of the people of America, for it must be borne in mind that if we were to legalize the manufacture and sale of yellow oleomargarine, we would be dooming the so-called poor man's spread. This would be a virtual certainty simply because when the oleomargarine manufacturers no longer had to compete against their own white product, the poor man's spread—white oleomargarine—would disappear from the market. The Gillette-Wiley substitute amendment also seeks to protect the public health by refusing to sanction a national law which would permit 28 oleomargarine corporations to imitate exactly an admittedly superior product. However, I am not here to debate whether butter is more wholesome or less wholesome than oleomargarine. I repeat, my ultimate concern and contention is that regardless of comparative nutritive values, oleomargarine should not be permitted to camouflage itself so perfectly as butter that in being permitted legally to do so, we throw open the legislative flood gates and allow a deluge of experimental, synthetic, possibly harmful chemical foods to descend upon the market places of this Nation.

FURTHER PROOF OF SCIENTIST'S UNCERTAINTY ABOUT SYNTHETIC FATS

Mr. President, I should like to further substantiate my claim that the scientists are exceedingly dubious as to the effects of synthetic foods upon human beings. I should like to quote a brief excerpt from a letter signed by Dr. F. H. Rein, of Goettingen, Germany. Dr. Rein, who is associated with the Physiological Institute of the University of Goettingen, writes:

In the method of hydrogenation of coal according to Fischer-Tropsch for the purpose of gasoline synthesis, the so-called paraffin-gatsch is obtained as a byproduct.

"Gatsch," as referred to by Dr. Rein, is a byproduct of the carbon monoxide hydrogenation process originated in Germany under Hitler, which I have already commented upon.

It is possible to obtain fatty acids through oxidation of the paraffin contained therein. These fatty acids were esterified with glycerine and in this manner a "fat" was produced, which during the war, to a small extent, was given to the German population and to the German army as an edible fat. Neither severe sicknesses nor death occurred from this; but only because the amounts

consumed had been too small and the period of feeding had been too short. Otherwise, this attempt to use synthetic edible fats could have done great harm.

EXPERTS CITE DEFICIENCIES IN OLEO

Some idea of how the scientists, nutritionists, toxicologists, and biologists regard the comparative virtues of butter and present-day oleomargarine may be had from several statements which I have taken from various authoritative sources. T. B. Osborne and L. B. Mendel, in their joint paper "The Influence of Butterfat on Growth," state in part:

Little has been said in the past of the vitamin E content of butter, but it appears to be present in significant quantities. On a diet in which all vitamin-E-containing substances, except butter, were removed, test animals continued to reproduce and did not otherwise exhibit symptoms of vitamin E deficiency. The removal of butter from the diet, however, saw the cessation of all reproductive powers. The presence of butter in the diet of persons receiving no other supply of vitamin E, when furnished in amounts up to 10 percent, assures not only reasonable success in reproduction, but is followed by notable success in lactation.

E. J. Schantz, C. A. Elvehjem, and E. D. Hart go even farther along this line in their collaboration in Dairy Science. They state:

[There is a] need for butterfat, if reproduction powers are to remain normal.

On the other hand, let us observe what the same experts have to say on the same subject in relation to oleomargarine. Schantz, Elvehjem, and Hart write:

The nutritional inferiority of butter substitutes is reflected in their inability to promote growth, or even sustain reproduction in test animals. A series of animal tests placed half the rats on a diet including vegetable oils, and the other half received a diet in which the vegetable oils were replaced with butter. The group on vegetable oils had a lower growth rate. They also tended to have a lower birth rate, and produced unsatisfactory offspring. A third group was placed on a diet which excluded butter, and their weight slumped one-third. The replacement of milk and butter in the diet promptly returned their weight to normal.

EVEN A LEGALIZED SYNTHETIC PRODUCE MAY BE HARMFUL

Mr. President, I said I was not here to debate the comparative nutritive values of butter and oleomargarine. That is true. The comparisons I have just made are not submitted here in an effort to prejudice the minds of Members of this body against oleomargarine as a food, or to imply that oleomargarine is not a wholesome product. I have submitted these comparisons solely in an endeavor to show that some scientists and food experts harbor grave doubts concerning the wholesomeness or harmfulness even of a synthetic produce which already has the official blessing of our Food and Drug Administration, and which is being consumed this very day by millions of men, women, and children here and abroad. Yet, I could produce scores of similar statements which reflect this wavering indetermination in the scientific and near-scientific worlds concerning the wholesomeness of oleomargarine.

ASSEMBLY LINE OF SYNTHETICS WOULD DISPLACE REAL FOODS

I do not want this body to lose track of my determined objection to the coloration of oleomargarine in exact imitation of real butter. That unalterable objection is founded upon a terrible dread that national legalization of yellow oleomargarine would inevitably be the forerunner of an interminable assembly line of only partially proven synthetic foods of every conceivable variety. Nor do I hesitate to predict here that if we lower the legal bars and permit oleomargarine to further disguise itself as butter we shall live to see the tragic usurpation of our great national storehouse of natural foods by ingeniously chemicalized syntheses of every God-given food from fish to fowl. It is with this potentiality in mind that I beseech this body to ponder carefully and soberly the cataclysmic economic repercussions which would unquestionably result from the displacement of millions of pounds of real fish and meat and vegetables and eggs and milk and a legion of other real, basic foods—displacement by artificial, conglomerate mixtures such as those produced in Frankfort, Germany.

CHEMISTS SEEMINGLY AS DUBIOUS AS DOCTORS

Senators have heard me quote several statements by doctors, and even by chemists, whom we can certainly assume would be the least likely to be prejudiced in behalf of my contentions concerning the danger of allowing these man-made food substitutes to masquerade as real foods. Yet these men of chemistry seemingly are curiously conservative and frequently equivocal and obscure whenever they comment upon their own chemical creations or those of their colleagues.

Henry C. Sherman, professor emeritus of chemistry at Columbia University, and a world-wide authority on ersatz foods, speaking of the development of food substitutes in Germany, had this to say:

There is no doubt that more use can be made of vegetable proteins whenever there is sufficient reason for doing so. Soybeans and peanut proteins have very nearly the same nutritive quality as meat proteins but the mixture would not be allowed to be called a new form of meat here, and should not be.

Those words of a distinguished chemist reflect the reason why extreme caution should be the watchword of this body in approaching the far-reaching issue before us.

I venture to say, Mr. President, the reason why all reputable scientists approach the problem of synthetic foods so cautiously is that they are looking to the future with the same awe and fear as I am—pondering what terrible effect these synthetic, inorganic foods might have on the normal physical and mental growth of our future generations.

Let me call attention to the conclusions which appeared in a paper in the Journal of Nutrition, written by R. K. Boutwell, R. P. Geyer, C. A. Elvehjem, and E. B. Hart, all of whom are attached to the Department of Biochemistry, College of Agriculture, University of Wisconsin.

On the subject of filled milk, they write in effect, as follows:

These data are related directly to the question of the desirability of allowing the manufacture of a filled milk which may become the sole source of nutrition for the growing child. The data make it apparent that a great responsibility would be thrown on those who believe that such a product as filled milk as the sole article of nutrition could function adequately in early nutrition.

Unpublished data have shown definitely that filled milks are inferior to whole milk in growth-promoting properties when fed to young rats. By a filled milk we mean a skimmed milk fortified by vegetable oil to the same fat level as a whole milk.

VEGETABLE OILS AS SUBSTITUTE FOR BUTTER CAUSE BONE FRAGILITY

I could submit endless scientific data of similar substance and I assure Senators that reading these scientific comments has given me pause—particularly all the scientific projections relating to the mental and physical well-being of the generations to come, not to mention the many doubts expressed concerning the virtues of elements which are contained in oleomargarine.

Not long ago I read a paper written by C. U. Moore, published in Northwestern Medicine in which he stated:

It has been found that substituting vegetable oils for butter causes a decalcification of bones, resulting in their fragility.

Substantiating this statement, G. H. Zeithraus, M. Neymark, and E. M. Widmark, in a comparative investigation of the influence of butter and margarine on the calcium assimilation of growing and full-grown rats in full vitamin supply, have this to say:

Decalcification of bones, resulting in their fragility, may well be a result of a vitamin-F deficiency since margarine is inferior to butter in calcium resorption even on a full diet of the other vitamins.

These and the previously submitted scientific statements relating to the principal ingredients of an already legalized food product, must certainly impress this body with the imperativeness of extreme caution in reaching a determination on the vital issue before us. This alone should suffice to convince even the most cynical among us of the unseen dangers that lie ahead if our judgment in this case should err. However, I shall submit evidence and still more evidence to justify my fears in this momentous matter and in a solemn endeavor to enlist the unanimous support of this body to prevent an ersatz food monopoly on these shores.

CANADA LAW PROHIBITS SYNTHETIC ADULTERATION OF BREAD

Perhaps one the most specific statements on the subject at hand was contained in an article by Agnes Fay Morgan in Science magazine. She writes:

No food is safe, unless it is free of any kind of synthetic adulteration, representing crude attempts to replace valuable organic constituents lost in processing. Wherever this has been attempted, the result has been found futile, and has proven to be actually dangerous. Tests made on dogs with white flour fortified with synthetic vitamins demonstrated that the fortified flour killed dogs quicker than the old white flour, un-

fortified. That is why Canadian laws now prohibit the adulteration of bread or flour with synthetic materials of any kind. If the vitamin content is to be raised, it must be done by retaining the original factors, not by adding new ones of unknown effect.

CHINA ALSO DEVELOPS SYNTHETIC FOODS

Singularly enough, Mr. President, despite these grave warnings, the tendency to imitate the world's basic foods is more manifest than ever before, even in distant lands. Christopher Rand, a Yale graduate who served in the OWI in China during the war and afterward as a correspondent in China for the New York Herald Tribune, writing in the May 1949 issue of the Atlantic, says:

It may be, as some experts claim, that milk and meat are necessities in any human diet, and that their absence leaves an intolerable vacuum. Indeed, this claim is borne out by the Chinese themselves for they have taken a seemingly most unlikely object, the soybean, and from it have worked out a series of foods that duplicate, to an amazing extent what cows give us. By grinding soybeans in small, primitive mills they make a white fluid called *tou chang*, that tastes somewhat like milk, that looks like it except for being on the bluish side, and that is said to have much the same food value, minus the butterfat. This is a popular morning drink. It is sold, warm and usually sweetened. * * *

From this same grinding process the Chinese also make a white bean curd, *tou fu*, of a consistency somewhat tougher than junket, which is often cured into a brown and more leathery substance called *tou fu kan*. Either way it is cooked into soups and stews as if it were meat. It has about the same protein content, and of course it is much more in line with the Chinese emphasis on the vegetable kingdom. The poor can eat it relatively often. It has a religious use among Chinese Buddhists, who are vegetarians. Some Buddhist temples operate restaurants where the idea is to imitate all sorts of meat dishes with bean curd. The imitation is very realistic, and things like pork chops and drumsticks are copies exactly. Bean curd is even sometimes pickled until it becomes a cheeselike substance, called *tou fu ju*. You can't say it tastes like Roquefort or Liederkranz or Camembert, but it is the same general order of thing. Some American cheese fanciers have become very fond of it.

In the same article, Mr. Rand goes on to say:

During the war I was stationed for some time in the south China hinterland, and there I came to realize that dairy cows have almost no place in Chinese life. The peasants around me made their living by intensive hand farming, really gardening, on small rice paddies. They were constantly having children, and their whole idea was to feed as many mouths from each paddy as they could. To this end they lived almost entirely on rice, with a sprinkling of vegetables and with a few bits of meat on feast days.

ORGANIC FOODS ESSENTIAL TO CHILD HEALTH

Mr. President, we have all seen news reels of China in which the pathetic, prematurely old faces of Chinese children, their stomachs bloated from an unvarying diet of rice, peer out at us from the screen, telling us the tragic story of malnutrition better than any words I can use here. We have seen pictures of African children and children from New Guinea, half-starved little gamins, many of them diseased, because they have been subjected to a diet consisting mainly of coconuts. Then,

we have seen the children of those countries which have carefully guarded and nurtured their dairy industry—the happy, healthy children of Norway, Denmark, Sweden, and Holland. These youngsters, like the average child in America, are well-fed, bright-eyed, plump-cheeked, intelligent, and alert. Mr. President, this is the major reason why I say that we cannot afford to take the first step toward tendering the chemical corporations of this country unlimited license to tamper with nature's handiwork, and then to sell the resulting concoctions to the people of this Nation.

I fully realized when I adopted the stand that I ran the risk of having this body regard me as a reactionary or perhaps as one who seeks to retard the progress of science. But I promise the Senate it is neither my desire nor intention to place curbs on chemistry or science in their relation to civilization's progress. I merely contend that a nation like ours, which can boast of an unparalleled heritage in natural food resources, which can boast of our rich grazing lands and fertile soil—I say that a country whose earth will produce virtually every edible variety of vegetation would be foolhardy in the extreme to promulgate laws which might permit ersatz food, such as those inspired in time of war in Hitler's food-drained Reich, to supplant foods produced by nature. I predict that many of these synthetic conglomerations would not only prove injurious to our public health, but would wreck the dairy industry and precipitate a national depression.

Mr. President, I do not propose to lend my support to any legislation which would be the means of making people of this Nation human guinea pigs for the unending experiments of every scientist, biochemist, nutritionist, and synthesist who might be inspired to produce a chemical food substitute.

SOYBEAN AND COTTONSEED OIL PRODUCTS DO NOT STAND TO GAIN

Actually, I sincerely believe that many of the deluded pressure groups who favor the yellow oleomargarine legislation now before us will be the first ones to accuse us of short-sightedness if we permit shipment in interstate commerce of oleomargarine colored in exact imitation of butter. Yes, the cottonseed-oil producers and the producers of edible fats and oils, as well as soya- and peanut-butter oils, who now stand firmly against those of us who are sponsoring the Gillette-Wiley substitute amendment, and those of our constituents who favor the oleo legislation, will later turn upon us if we pass this yellow oleomargarine bill. As it is, the Gillette-Wiley substitute amendment is a compromise bill which we are accepting in lieu of stronger legislation. It removes all the taxes from oleomargarine, and I am in favor of removing them, but I can assure you that the soybean-oil producers and the cottonseed-oil producers are going to rue the day when they determined to line up on the oleomargarine side of this issue. A rude awakening awaits these pawns in the oleomargarine strategy because when the taxes are removed, the powerful oleomargarine car-

tel which, as I have pointed out, is fathered by Unilever, Ltd., of London, will import copra oil which they can produce at slave-labor prices on their own African plantations, and the soybean-oil and cottonseed-oil producers will then become the forgotten men of the oleomargarine industry.

PRECEDENT IS POWERFUL IN LAW

No, Mr. President, I shall not help to hoist a signal flag for every experimenter in chemical foods and every lobbyist for the chemical corporations to pounce upon us and upon the Pure Food and Drug Administration with the challenge: "If you permit the oleomargarine producers to manufacture and sell a wholly synthetic product which smells, tastes, and even looks like real butter, why can we not then have equal privilege to produce synthetic meats, cheeses, ice creams, milk and eggs?" ad infinitum, ad nauseam.

CHEMICAL COMPANIES WOULD DUPLICATE OLEO PROPAGANDA IF YELLOW OLEO IS LEGALIZED

Mr. President, those of us who have served on this body for any length of time and those of us who have practiced at the bar are fully cognizant of the power of a precedent. Surely we are not so naive as to think that the great chemical manufacturing companies of this Nation and in many countries abroad are sitting idly by, twiddling their thumbs, while this potentially vast new industrial vista looms in the distance. We can be sure that this is not the case. We would be safe in the assumption that the geniuses of chemistry are, this very instant, busily engaged over their test tubes in their laboratories, developing synthetic chemical foods of every variety against the day when we of this body might make the fatal error of creating the loophole which would open the way for their lobbyists and propagandists to repeat the performance so skillfully inflicted upon us by the Oleomargarine Trust. But I do not wish to see this prognostication proved correct. I believe this body is sufficiently wise and farseeing to detect and correctly analyze the profoundly subtle implications involved in the complex problem which we are here to consider today.

Mr. President, I have unbounded confidence and faith that my colleagues will weigh their decision on this measure without narrow partisanship. But, in conclusion, I make this solemn plea: Think and think and think again, and then think once more before Senators utilize the power vested in them by the people of this Nation to countenance the possible defilement of our country's natural food supply by the unknown quantities of chemistry. Think and think still again before crucifying 2,500,000 dairy farmers and plunging millions of other Americans into the depths of a depression merely to gratify the greed of the Oleomargarine Trust.

Mr. President, yesterday I presented an amendment to the pending measure which provided for a fairly broad reduction of the excise-tax structure, particularly the rates which were set in the Revenue Act of 1943. For the convenience of other Members of the Senate

I would like to explain what is provided in this amendment.

The language of my amendment is identical with that which is sometimes called the Johnson amendment, sponsored by the Senator from Colorado [Mr. JOHNSON], and now pending on the Senate Calendar as a part of House bill 3905. In preparing this amendment I have made no changes whatever from the language of the Johnson amendment, even though I have personally been interested in several other changes in excise rates. I retained the language of House bill 3905 exactly as it was reported by the Senate Finance Committee, because those particular reductions have already been passed on by the Senate Finance Committee and have received its stamp of approval. In voting on my amendment when it comes up, therefore, Members of the Senate will be voting on something which has already been favorably acted on by the committee.

The changes provided by this amendment affect admissions, electric-light bulbs, furs, jewelry, luggage, toilet preparations, communications, transportation of persons, and photographic apparatus. In the case of admissions, furs, most jewelry, and toilet preparations the rate would be reduced from 20 percent to 10 percent. Watches selling at retail for not more than \$65, and alarm clocks selling for not more than \$5, which are now taxed at 10 percent, would continue to carry the 10 percent rate.

The rate on electric-light bulbs would be reduced from 20 percent to 5 percent. The tax on transportation of persons would be reduced from 15 percent to 10 percent. The rate on local telephone charges would be reduced from 15 to 10 percent, and the rates on other types of communication would be reduced from their present scale of from 8 to 25 percent to a scale running from 5 to 20 percent.

In the case of luggage, the retailers' excise tax of 20 percent is eliminated entirely, and in its place the manufacturers' tax of 10 percent is restored. The manufacturers' tax applies to fewer articles than does the present retailers' excise tax. For example, it does not apply to ladies' handbags but is restricted only to trunks, valises, traveling bags, suitcases, hat boxes for use by travelers, fitted toilet cases, and other travelers' luggage, and leather and imitation-leather brief cases.

The tax rates on photographic equipment have been especially burdensome and have apparently sharply reduced sales and employment in that vital industry. The tax on cameras and camera equipment was particularly high—25 percent—and was imposed early in the war for the primary purpose of discouraging civilians from purchasing such equipment at a time when the national defense needed virtually the entire output of the industry. By the terms of my amendment, the present 25-percent rate on cameras and camera equipment, and the 15-percent rate on films, would both be reduced to 10 percent.

Last year when this proposal was under consideration by the committee, the

revenue loss on an annual basis was computed to be about \$628,000,000. The category in which the largest single loss of revenue occurs is admissions. The admissions tax is primarily a tax on the average man when he goes to inexpensive places of amusement, such as motion-picture theaters. In my judgment, this tax is particularly objectionable, since it is paid very largely by the poor man and not by the rich man.

Mr. President, I hope the Senate will not feel that my proposal is merely an attempt to load down the oleomargarine bill with amendments. This question of revising the excise-tax structure has been before us for several years, but the Congress has never had a real chance to vote on the question. If my amendment should be rejected, there is no guaranty at all that we shall have another chance to vote on excise-tax reduction at this session of Congress. The leadership has given us no definite guaranty that excise-tax reduction will be permitted to come up for action this year. If my amendment is defeated, therefore, it is very possible that these burdensome tax rates will continue as a part of the tax structure for at least another year, if not longer.

Inasmuch as both the committee bill and the Gillette-Wiley substitute are before us at this time, I am moved to ask the Senator from Wisconsin [Mr. WILEY], who has taken the lead in proposing this substitute, whether at this time he will accept my amendment as a part of his substitute?

Mr. WILEY. Mr. President, a few days ago at a conference of some 15 or 16 Senators who are cosponsors of the bill, the other cosponsors not being able to be present, this matter was debated. I personally offered a similar amendment to the original bill. The substitute measure affects a tax similar to other excise taxes now imposed, with this difference, that when the oleo tax was adopted there never was any promise that it would be repealed, but when the war excise taxes were adopted, they were adopted with the condition and with the promise that they would be repealed as soon as the war was over. The war has been over, and so I feel that in all justice if we are going to have an elimination of one excise tax we might as well have a debate in relation to the elimination of all excise taxes, or a modification thereof. Therefore I accept as part of the substitute measure the amendment suggested. I modify my amendment accordingly.

Mr. MAGNUSON. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. MAGNUSON. As I understand, the Senator is merely accepting the amendment of the Senator from Nebraska to become a part of his amendment, and to lie on the table.

Mr. WILEY. It becomes a part of my amendment, the substitute amendment. We are not voting on any amendment.

Mr. MAGNUSON. It becomes a part of the substitute amendment?

Mr. WILEY. That is correct.

The PRESIDING OFFICER. (Mr. SCHOEPEL in the chair). The Senator

from Wisconsin modifies his amendment accordingly.

Mr. MAGNUSON. Does that require unanimous consent?

The PRESIDING OFFICER. No; the Senator has the right to modify his amendment.

Mr. WILEY. Mr. President, I ask unanimous consent that the substitute amendment, that was offered by me on behalf of myself and other Senators, now be reprinted, with the several amendments I have accepted as a part of the substitute amendment, so it will be available to the Members of the Senate tomorrow or the following day, as we debate the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED INVESTIGATION OF POLITICAL TACTICS IN WISCONSIN

Mr. WILEY. Mr. President, yesterday I sent out to the people of my State a release which I had prepared on the subject of certain outrageous tactics followed by the Democratic Party of Wisconsin in pursuing shake-down tactics against humble civil-service employees. I have urged a Department of Justice investigation of these tactics, and today I received an acknowledgment of my letter from our former colleague and able associate, the Honorable Howard McGrath.

In reviewing my release and the text of my letter to the Attorney General, I trust that it will not be assumed to be political, and lightly dismissed as a purely partisan expression. I assure my colleagues that if my own party were ever guilty of the tactics of which the Democratic Party is guilty, I would condemn the culprits as strongly as I condemn these Democratic opponents. In any event, my party has not been guilty of any such blackjack approach, and I pray and believe it never will be.

I ask unanimous consent now that there be printed at this point in the body of the RECORD my own prepared release and letter on this crucial question of clean politics, clean relations with civil-service employees, and fair play.

The PRESIDING OFFICER. Is there objection?

There being no objection, the release and letter were ordered to be printed in the RECORD, as follows:

WILEY URGES INVESTIGATION OF WISCONSIN DEMOCRATIC PARTY PRESSURE TACTICS ON CIVIL-SERVICE EMPLOYEES

A request for an investigation of outrageous pressure tactics of the Democratic Party, of Wisconsin, has been made by Senator ALEXANDER WILEY, Republican, of Wisconsin.

The senior Badger Senator has made public a copy of a letter sent to a post-office employee by the Wisconsin Democratic finance office in Milwaukee, which, said WILEY, "arrogantly demanded in effect and by implication financial contributions on the part of the particular postal worker" and "on the part of literally thousands of other civil-service employees to whom a similar letter is apparently being sent."

In a statement supplementing release of the letter and of his message to Attorney General J. Howard McGrath, WILEY stated that, "17 years of holding national office has made the Democratic Party so smug

and arrogant in its power that it thinks it can resort to shake-down tactics such as this in Wisconsin. We have always had comparatively clean politics in our State, but this type of vicious pressure against humble civil-service employees is more characteristic of Jersey City under Boss Hague than it is characteristic of the type of affairs which we have known in Wisconsin."

POSTAL WORKER'S COMMENTS

The civil-service employee who sent Senator WILEY this letter stated:

"This is the third high-pressure attempt to solicit support for the Democratic organization. The first occurred last fall at the time of the rally and banquet in Milwaukee when we were more than just invited to purchase a \$25 ticket. The second was for a subscription to the party organ. * * * This letter lends support to the whole idea to whip civil-service employees into the machine."

THESE PRESSURE TACTICS MUST BE STOPPED RIGHT NOW

"Anyone who has eyes to see," said WILEY, "can read into this very short Democratic letter the obvious pressure implication, without jumping to any unjustified conclusion. If the Democrats are allowed to get away with dictatorial letters and tactics such as this, the time may come when not only civil-service employees, but ordinary citizens, will be threatened by implication for failing to be listed as a contributor to the Democratic Party. I believe that not only the Department of Justice should investigate this and similar letters and tactics, but that the people of Wisconsin should show at the polls that they are outraged by this vicious technique of the Democratic Party."

The text of Senator WILEY's letter reads as follows:

JANUARY 4, 1950.

Re pressure of Democratic Party of Wisconsin against civil-service officeholders.

Hon. J. HOWARD McGRATH,
Attorney General,

Department of Justice,
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: Your Department has already received indications that there is deep apprehension in our Nation over the fact that the Democratic Party in certain States and/or on a national basis seems to be using tactics which violate the spirit and/or the letter of the Hatch Act and related statutes which ban participation in politics by civil-service employees, and which ban pressure against such employees for the soliciting of contributions to political campaigns.

You and I realize, of course, that this is a political and election year, and almost inevitably such a topic as this, will become the subject of partisan discussion and charges. I do, however, feel that the facts in the following case which I am going to cite to you merit the serious consideration by your Department on a nonpartisan basis and that these charges should be considered on their merits.

I have in my hand a letter sent on December 27 from the State of Wisconsin Democratic Finance Office at 753 North Fifth Street, Milwaukee 3, Wis., signed by Mr. Jerome Fox, State chairman, and Mr. Carl Thompson, national committeeman.

This letter was sent to an employee of the Federal Government (whose confidence and privacy will be respected). Apparently this letter is but one of literally hundreds and thousands sent out on a similar basis to a list of civil-service office holders.

TEXT OF DEMOCRATIC PRESSURE LETTER

The letter reads as follows:

"Our records do not show you listed as a contributor to the Democratic Party in 1949. We would appreciate your contribution before the end of the year, so that party activi-

ties and the 1950 campaign fund can be assured."

It is obvious to any observer—whether Republican or Democrat—that this type of letter smacks of blackjack tactics against a humble civil-service employee, leading the employee to believe that unless a contribution is forthcoming the individual may suffer drastic consequences, insofar as his job is concerned. This is not jumping at unfair conclusions on my part, but it is based upon a clear recognition of what is obviously implied by the letter.

Such an arrogant letter might better have been written in Moscow rather than in Milwaukee or in Jersey City under Hague control, because it savors of this type of approach: "Come across, Bud, or else!" The letter does not lead the reader to believe that a contribution is purely voluntary or might not even be expected. On the contrary, it leads the reader to believe that a contribution is definitely expected and required to be forthcoming.

By what right does the Democratic Party in Wisconsin or anywhere else approach civil-service employees and crack the whip at them, implying as if such employees were bound to make a contribution?

DEMOCRATS HAVE FLOUTED SPIRIT OF LAW

Legal pedants may say that this letter does not violate the letter of the law, because quite clearly it has been framed very skillfully in order to try to avoid outright violation. Nevertheless, it is clear that, for all intents and purposes, pressure is being used on civil-service employees. I refer you, also, to the charges filed by the Young Republican Federation of Wisconsin against political misuses of the considerable number of census jobs that will be opened this year.

It seems to me that the Department of Justice might well issue a statement clarifying the letter and the spirit of existing laws against political pressure on civil-service employees. I emphasize the spirit aspect because obviously, pressure artists can avoid prosecution by adroit phrasing of their communications, but in so doing, they will be making a hollow mockery of the Nation's statutes.

Some cynics may scoff, saying that pressure tactics are used by both parties whichever is in power. Such a cynical approach, however, hardly justifies violation in spirit of the Nation's laws. Two wrongs have never made a right. Nor, I respectfully submit, has my party ever been guilty of wholesale, premeditated violation of the spirit of the Nation's election laws.

Thanking you, and with every good wish, I am,

Sincerely yours,

ALEXANDER WILEY.

Mr. WILEY. Mr. President, I have been informed today that an amendment has been pending in one of the committees to modify the Hatch Act, which would more or less make the tactics of which I complain pardonable, and would render the law of no effect. The tactics simply are these, that a shake-down method is being practiced by saying to civil-service employees, in substance, "You got your job through us, did you not? So come across."

Mr. President, if such conduct is permissible, we might just as well get rid of the Civil Service, we might just as well throw everything open in the future and say, "To the victors belong the spoils."

The tactics are the same as those some of our good labor people are pursuing, levying payments of \$2 apiece on the membership of the unions. Just before I left home a young lady came into the office and said, "My husband has been

paying \$6 a month dues to the union. Today he got a notice of a special assessment of \$2, the purpose of which was to create a political fund to defeat you, Senator."

There it is, Mr. President. There is nothing wrong about that, if they want to do it, but I am frank to say that I have had a number of communications from laboring men throughout my State indicating that they do not like such tactics. But those who are pursuing them are entitled to do so. However, under the civil-service law the party in power is not entitled to go into the program of initiating political "takes" from those who have received employment, and that is what I am complaining about.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. ECTON. Mr. President, as one of the cosponsors of the Gillette-Wiley amendment, I wish merely to take a few minutes this afternoon to set forth my views on the proposed oleo legislation. My own personal thought on the matter is that this type of legislation has been given time and energy and has been subjected to propaganda clear beyond its importance to the people of the country, and I hope that we may be able to arrive at a time in the near future when this controversial issue as presented before the Senate of the United States may be resolved one way or the other.

I do not believe that any of us who are sponsoring the amendment which is in the nature of a substitute bill can be deemed to be antagonistic either toward the manufacture of oleo or to its consumption in its natural state by the people of this country. We do not wish to deny anyone the privilege of using oleo if he desires to use it. I think all of us have used it and have enjoyed it on many occasions. All we are attempting to do by the substitute amendment is to prohibit falsification in any manner or description. When butter is sold as butter, we want it to be recognized as butter. When oleo is sold as oleo, we want it to be recognized as oleo. We do not want anyone to be fooled.

As the distinguished senior Senator from Nebraska [Mr. BUTLER] has told the Senate, we are perfectly willing to relieve the oleo manufacturers and the consumers of a tax which has been imposed upon them for many decades. We think we should do that in the interest of fairness and fair play, and in the interest of free competition with good edible products flowing in the business economy of our country. I hope we may be able to get this legislation to an early vote and decide the question, so the American housewife will no longer be confused, as she has been confused since the pending bill was first introduced 2 years ago.

The oleo manufacturers and their interests did a high-powered job of propagandizing the housewives of the country. It has caused us a great deal of trouble. Propaganda has gone forth to the effect that if the Congress of the

United States would but remove the taxes on oleo the housewives could then buy colored oleo in the market.

Such is not the case in every State of the Union. There are numerous States which have statutes specifically forbidding the sale of colored oleo within their respective borders. My own State of Montana is one of those States. The sale of colored oleo is absolutely prohibited in my home State. We in Congress cannot do anything about that by the legislation now pending. That question must be determined by the people not only of my own State but of all the States which have statutes prohibiting the sale of colored oleo.

Mr. President, it has repeatedly been suggested during the course of this debate that butter is such a relatively unimportant dairy commodity that it might as well be thrown to the wolves. The wolves, in this instance, are the oleomargarine manufacturers who apparently are more than willing to supply the butter markets with their yellow imitation.

Perhaps the best answer to those who would scuttle butter is the rather trite assertion of the dairy farmers that butter is the balance wheel of the dairy industry. By this they mean that whatever affects butter affects every other dairy product. There must be a great deal of truth in their statement. Why else would the Department of Agriculture choose butter as the dairy commodity upon which to base its price-support program?

On December 22 the Department of Agriculture announced its dairy price-support program extending from January 1950 through March 1951. It announced support farm prices on manufacturing milk and on butterfat, and stated that the program will support the price of all milk. As a means of carrying out this support, the Department announced prices at which it will make carlot purchases of cheese, nonfat dry-milk solids, evaporated milk, and butter. It is significant to note that in these price-support operations during 1949, \$70,000,000 of a total expenditure of \$125,000,000 was for butter.

The passage of House bill 2023 would effect the agricultural economy of most of the States of the Union and very seriously affect the economy of dairy States. Approximately 22 percent of the agricultural income of the Nation comes from dairy products and animals, and from 25 to 30 percent of the butterfat produced goes into the manufacture of butter. Some two and one-half million American farmers are dairymen. The enactment of this bill would upset the rotation system of crops produced, conservation of soil, and the agricultural economy of most of these farms. I believe it would seriously affect the livestock crop rotation of the Nation and would annually cost its taxpayers hundreds of millions of dollars in additional price supports for dairy producers. The Commodity Credit Corporation already has, I believe, some 100,000,000 pounds of butter on its hands.

Butter is and always has been what might be called the pivot product of

the dairy industry. When fluid milk, ice cream, or cheese sales fall off, the surplus butterfat has always found an outlet through butter. Curtail this outlet and disruption of the whole dairy industry will occur.

The so-called cream check coming into the farm home regularly, especially during times of depression, has been the one thing that has saved thousands upon thousands of small-farm families from total bankruptcy. Mr. President, I am receiving letters from my constituents each and every day stating those facts. The people have not forgotten the depression years. They have not forgotten how dependent they were upon their weekly cream check. That check has bought the shoes and clothes for thousands of children who could otherwise not have gone to school.

Because of the consumption of feed grains and other crops required by the dairy animals, they have been a major stabilizer in preventing disastrous surpluses of such crops, and have thus helped to preserve a reasonable price for them.

Oleomargarine propagandists profess to see no reason why the loss of a part or all of the butter market to oleomargarine should seriously trouble the dairy farmers. They point out, quite correctly, that producers receive less for milk used for the manufacture of butter than for that sold for fluid consumption. Since that is true, they argue, let the farmers sell more of their milk as fluid milk, turn over the table-spread market to oleo, and everybody will be happy.

Unfortunately the oleo propagandists fail to take into account several important facts:

First. Urban consumers are already buying all the milk they desire at current prices, and lower prices in general are not in the picture because of costs of production. It is, therefore, impossible for farmers to divert any large volumes of milk for butter into milk for fluid use.

Second. Fluid-milk consumption is fairly uniform the year around. Herds must supply enough milk for fluid consumption during the fall and winter period of low milk production. These same herds will obviously supply more than enough to meet fluid requirements during their period of flush production. Butter is one of the most practicable forms in which seasonal and other surplus milk can be stored.

Third. Much milk that goes into butter is produced in areas of the country far removed from fluid markets. This segment of the dairy industry is, nevertheless, essential, both as a source of manufactured dairy products and of beef and veal, 40 percent of which is supplied by our dairy herds.

These points add up to the major fact that, oleo or no oleo, butter will always be important in the dairy industry. It cannot be done away with in favor of fluid milk. But it can be depressed in price by the competition of a low-cost substitute colored and flavored in its exact imitation.

To the extent that this happens—to the extent that yellow oleo is permitted

to usurp the table-spread market—all dairy products will suffer price reactions. The prices of fluid milk cannot long withstand the effect of drops in the butter market. In recognition of this, the price structures of fluid milk in scores of primary and secondary markets are tied in part to butter prices.

Yellow oleo can never be other than a drag on butter prices and on dairy product prices in general. This is because it is made from cottonseed and soybean oil; and it can readily be made from coconut oil. With our free trade program in operation that might well occur. Even the oleo manufacturers who have been making oleo out of soybean and cottonseed oil, might find some serious competition. The three oils are interchangeable, and the one that costs least governs the price for all. The low-cost coconut oil produced in the tropics with low-cost labor holds down the price of cottonseed and soybean oil, and the cost of oleo.

Now let us come to the real meat in this oleo bill, namely, what has been held out to the laboring people and the housewives by all this propaganda? Mr. President, they have been told that they are going to be able to get colored oleo at a cheap price. However, such is the farthest thing from the truth; there is no truth in it.

Suppose that House bill 2023 were passed. If it were, it would result in removing one-fourth of a cent a pound tax on oleomargarine; that is all it would do, so far as concerns reducing the cost of oleomargarine to the average housewife in the United States. The result would be to save the average American family the insignificant sum of probably not to exceed from 50 cents to \$1 or \$1.50 a year. I ask you, Mr. President, who has been fooled in this entire matter? I say most emphatically that if Senators wish to provide a cheap spread, cheap oleo, to the consumers in the United States, it would be much better to leave the present law as it is. Then the housewives of the United States would be able to buy uncolored oleo and either use it in its uncolored form or take it home and color it themselves, and hold down the price. But once this proposed legislation is enacted and once oleo can be manufactured as yellow oleo and placed in competition with butter, we shall see how fast the price will rise, and the housewives and the laboring people of the United States will really find out that they have been badly fooled. I predict that when that occurs it will react against the use of oleomargarine in the United States.

The manufacture and sale of oleomargarine have been making rapid progress in spite of the absolute prohibition by about 21 or 22 States of the sale of yellow oleomargarine. They do not prohibit the sale of uncolored oleomargarine, but they prohibit the sale of colored oleo.

Let us examine the figures to see how yellow oleo sales have increased in the United States under the legislation which has been on the statute books since the early 1900's. For instance, yellow oleo production in 1947 amounted to

about 5,000,000 pounds a month; in 1948 it rose to approximately 8,000,000 pounds a month; and in 1949 the production had increased to 15,000,000 pounds a month. Who has been hurt under the oleo legislation which has been on the statute books of the United States for fifty-odd years? The oleo manufacturers have not been hurt; and the people who consume oleo have not been hurt, because they have been getting oleo cheaper than they will ever get it again if they permit yellow oleo to flow freely in interstate commerce. It is altogether probable that if House bill 2023 were passed in its present form, instead of in the form of the substitute we propose, the price of oleomargarine would advance, and United States consumers in the aggregate would have millions of dollars annually added to their food bills.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ECTON. I am glad to yield.

Mr. WILEY. I wish to congratulate the Senator from Montana on making a very fine, factual statement of a situation which is very critical.

I wish to call his attention to the fact that in 1948, out of a sale of 908,000,000 pounds of oleo, only 91,000,000 pounds were colored—in other words, approximately 10 percent. So we see that the argument the Senator from Montana has presented is based on solid ground, namely, there is a desire on the part of the manufacturers of oleomargarine to color all the oleomargarine and then soak the public for the additional cost. In the past they have captured a market which has ranged, in 1930, from 325,000,000 pounds, to 1948, when they had 908,000,000 pounds. Yet in that increase, only 91,000,000 pounds were colored. So the Senator's statement is correct, namely, that if the consumers in the United States want cheap oleomargarine, they should not adopt the suggestion of the Oleo Trust, so to speak.

Mr. ECTON. I thank the distinguished Senator from Wisconsin for his observation. I think anyone who has given this proposed legislation his studious and honest and unbiased consideration can come to no other conclusion. Anyone who wishes to help poor people in this country had better take off the taxes on the manufacturers and the wholesalers and the retailers, but prohibit the sale of colored oleomargarine everywhere except in the States which now specifically permit it. I think it would be the fair and the reasonable and the most logical thing to do.

Mr. President, if we would be honest with ourselves and our constituents, we would have to admit that practically no financial benefit would result to anyone save the small group of manufacturers and the retailers of oleomargarine if either the pending bill or the bill as changed by the amendment were passed. Some additional income might be realized from producers of soybeans and other vegetable fat crops; but in only a short time, if the policy of this administration is continued, no doubt foreign products shipped into this country would all but eliminate any benefit to American producers.

Any action taken by the Congress that would harm the dairy industry—and surely this bill if passed would do so—would have serious repercussions upon the entire national economy.

Finally, every product—whether food, fiber, or mechanical—should expect to find sales outlets on its own merits, and not through imitation. Legalizing the sale of yellow oleomargarine would, in my opinion, be most unfair and misleading to the consuming public, unfair to the agricultural economy of great areas of the United States, and would result in fraud and deception and in great costs to the Federal Treasury.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ECTON. I am glad to yield to the Senator from Arkansas.

Mr. FULBRIGHT. Is the Senator familiar with the vote on what is now the pending bill in the Senate, when it was in the House of Representatives last year?

Mr. ECTON. I do not recall the vote in the House of Representatives, but I recall there was before the last legislature, in my own State of Montana, a measure the purpose of which was to repeal the law prohibiting the sale of yellow oleo in the State of Montana. How many votes for repeal does the Senator think were cast? Only 12.

Mr. FULBRIGHT. I have no doubt about it; but the vote in the House of Representatives last spring was in the neighborhood of 287 for repeal; that is, in favor of the committee bill, the bill which is pending in the Senate at this time, to 89 against repeal. Does not the Senator think it is rather odd, if the bill is such a vicious one from the point of view of the farmers, that the vote in the House of Representatives should have been so overwhelming in favor of repeal?

Mr. ECTON. No; I do not.

Mr. FULBRIGHT. The year before, at the preceding session, the vote was almost the same. There was but a slight difference.

Mr. ECTON. When we consider the propaganda that was used in favor of the bill throughout the country a year or two ago, I am not very much surprised at the vote. I think if it could have been brought before the Senate at that time there would have been many Senators who would have yielded to the pressure, who would have relaxed their resistance, so to speak, and who perhaps would have gone along. It might be interesting to the Senator from Arkansas to know that in 1 week it was necessary for me to send 3,000 letters replying to letters received from the people of my State, to tell them that, regardless of what was done by the Congress, they still could not buy yellow oleo. That was due to the propaganda that was spread throughout the country. The statement has been repeated many times on the floor of the Senate that the oleo manufacturers of the country spent more than \$6,000,000 for publicity in that campaign.

Mr. FULBRIGHT. The Senator has no proof of that.

Mr. ECTON. No.

Mr. FULBRIGHT. It is merely the Senator's statement, is it not?

Mr. ECTON. I am merely making the statement.

Mr. FULBRIGHT. The Senator knows nothing of his personal knowledge of any such thing, does he?

Mr. ECTON. No.

Mr. WILEY. He did not get any of it?

Mr. FULBRIGHT. No.

Mr. ECTON. No; I am not accusing anyone of giving any Senator anything. What I am saying is, we know that when letters are sent to the people in the 48 States of the Union, and when full-page advertisements are placed in newspapers and magazines, it costs money.

Mr. FULBRIGHT. Does not the Senator know that the only advertisement which has been published in the newspapers locally is the one which was published by the butter industry day before yesterday? No doubt, the Senator saw it. So far as I know, there has been no advertisement on the part of the oleomargarine industry. The only advertisement that has been published since we returned for the present session was one published by the butter interests, 3 days ago, which, I assume, the Senator saw. The only implication of the Senator's remark is that the House of Representatives is very easily fooled. The Members of the House do not know anything about the matter, and therefore the Senate must save the country. That is what it comes down to, is it not?

Mr. ECTON. No. I would not cast any reflection on our good colleagues in the House of Representatives. They can vote for anything they want, but when it comes to the Senate, we should look at all the facts and make up our own minds. We cannot help what the House does. The Members of the House of Representatives are not responsible to us, and we are not responsible to them. I certainly am not casting any aspersions on any Members of the House.

Mr. WILEY. Mr. President, I was very much interested in the brief exchange of ideas between my friend to the left of the aisle and my friend to the right, about what happened in the House of Representatives. The Senator from Arkansas did not ask what happened in the committee, or what kind of bill the House committee reported. It was virtually the same as the amendment I have offered during the debate on the pending bill.

Again I want to compliment my good friend and Republican associate from Montana. He has brought out some very salient facts. He has brought out the fact, which is in no way contradicted, that the oleo interests have spent approximately \$6,000,000. Anyone knows that when full-page advertisements appear in the great national magazines, they cost anywhere from \$2,000 to \$10,000 or even \$20,000, depending upon the circulation of the magazines.

I call the attention of my good friends to a significant thing. Last year when this subject was being debated, by reason of the misrepresentation of the facts by the oleo interests, I received in the neighborhood of 25,000 letters from the folks in the cities of Wisconsin, telling me

what I should do. Since the present debate opened, I have not received a letter from the city folks. Why? Because they are now aware of the truth. They know that almost maliciously there was undertaken a campaign making an issue of the tax, arguing that the tax made the cost of oleomargarine so much higher for the dear consumer. Of course, the consumers are interested in obtaining free food, if necessary, or cheaper food, but all at once it began to dawn on them, as it has now dawned on Senators, that if the oleo interests are to be permitted to color their oleomargarine yellow, irrespective of State law, irrespective of the right of Congress to regulate interstate commerce, the oleo interests are going to charge what the traffic will bear. It is a significant thing that within the past few years 3,000 dairy cows have disappeared from the farms of America. That is by reason of the increase in the percentage of the spread market taken over by the oleo interests. A few moments ago I enumerated what that was. It has gone from approximately 300,000,000 pounds to over 900,000,000 pounds, leaving only about 1,300,000,000 pounds to the butter

producers. If the oleo interests take that, as they intend to do, what will happen? Three thousand cows have disappeared from the farms. Already, within the past 2 or 3 years a quarter of a million people have left the farms. What is to be the result? We must not forget that about 35 percent of the beef produced in this country is produced from cows. Get rid of the dairy cow, and where is the consumer going to get his beef? Then what are we going to do? The consumer will pay the price which the Oleo Trust says he must pay. There will be no restriction upon it. When the competition between oleo and butter is eliminated, and when the oleo interests take over the market, the prices of oleo will go up. That has already been clearly indicated in many places. Recently in the State of California oleo prices have varied as between community and community from as little as 15 cents a pound to as much as 55 cents a pound. There is no restriction.

I suggest therefore to my good friends that we should stop, look, and listen before we do that which will not only destroy the dairy farmer and his dairy

herd, but will mean to the consumers of America an increase in the cost of living. The consumers now have their choice. They can buy yellow butter or they can buy oleomargarine uncolored and, in some places, colored. But if it is permitted to be colored, we shall not only have the fraud that now exists, when oleo is advertised, as indicated by my colleague, as a dairy product, but the fraudulent practices will be extended.

At this point in the RECORD I desire to show the ingredients of oleomargarine. It is very interesting to note what they are. Oleo is about as composite a product as any chemist ever conceived of. At this place in the RECORD, I ask that there be printed a table which I shall produce from the record of the hearings. It is table 11, materials used in the manufacture of oleomargarine in the United States by calendar years 1928-48, as set forth at pages 98 and 99 of the hearings of the Committee on Finance of the Senate, in April 1949, on the bill H. R. 2023, known as the oleo tax-repeal bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 11.—Materials used in the manufacture of oleomargarine, United States, by calendar years 1928-48

[In thousands of pounds]

Ingredient	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Corn oil.....	21		159	51	54	341	4	32	1,238	1,796
Cottonseed oil.....	26,931	30,173	27,448	16,028	15,098	17,997	54,778	99,504	108,106	173,617
Peanut oil.....	6,329	6,307	5,787	4,598	2,511	2,635	2,744	4,369	4,140	2,880
Soybean oil.....		11	2,255	622	3	7	24	1,740	14,261	31,791
Other vegetable ¹	28	28	37	37						
Total domestic vegetable.....	33,309	36,519	35,686	21,336	17,666	20,980	57,551	105,685	127,745	210,084
Babassu oil.....								1,838	16,114	14,607
Coconut oil.....	159,852	185,507	177,990	133,118	123,219	150,096	123,678	174,315	150,465	73,806
Palm oil.....	1,169	1,523	861	2,428	261	544	66	3	1,400	1,063
Other vegetable ²	91	1	55	253				602	2,915	7,947
Total foreign vegetable.....	161,112	187,031	178,906	135,799	123,480	150,640	123,744	176,758	170,894	97,423
Lard neutral.....	25,722	22,628	14,905	9,665	9,415	8,959	7,486	3,005	2,199	1,748
Oleo oil.....	44,795	48,226	38,916	18,786	12,453	15,095	21,872	18,227	18,330	12,278
Oleo stearin.....	5,658	6,134	6,024	4,884	3,684	3,120	3,478	2,612	3,550	3,375
Oleo stock.....	1,440	1,168	1,275	814	470	829	1,454	2,390	1,930	1,318
Other animal ³	2,627	3,018	1,693	331	39	7	11	1		
Total animal.....	80,242	81,174	62,813	34,480	26,061	28,010	34,301	26,335	26,009	18,719
Total all fats and oils.....	274,663	304,724	277,405	191,615	167,207	199,630	215,596	308,678	324,648	326,226
Milk (mostly skim).....	93,493	98,840	90,201	61,519	49,044	58,417	61,903	83,307	76,386	72,846
Vitamin concentrate.....										
Salt and other "conditioning" ingredients ⁴	26,604	29,320	27,640	17,549	12,991	14,806	16,619	22,520	21,386	19,073
Total miscellaneous.....	120,097	128,160	117,841	79,068	62,035	73,223	78,522	105,827	97,772	91,919
Grand total.....	394,760	432,884	395,246	270,683	229,242	272,853	294,118	414,505	422,420	418,145

Ingredient	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
Corn oil.....	566	489	421	627	1,690	5,827	11,480	9,174	6,589	6,651	1,345
Cottonseed oil.....	142,858	98,656	115,946	149,930	166,444	252,109	215,008	253,997	222,814	322,552	452,691
Peanut oil.....	3,593	2,445	1,730	2,210	920	4,564	12,295	10,215	13,794	17,500	11,269
Soybean oil.....	39,885	70,822	87,103	75,634	133,346	198,020	211,105	206,642	200,681	227,594	252,727
Other vegetable ¹	27	12	13	12	259	4,562	1,644	138	67	130	18
Total domestic vegetable.....	186,929	172,424	205,213	228,413	302,659	465,082	451,532	480,166	443,945	574,427	718,050
Babassu oil.....	11,547	13,942	6,150	946	332						
Coconut oil.....	89,520	38,519	21,780	29,786	3,491				14,508	21,214	5,471
Palm oil.....		1	4	4,991	1,375						
Other vegetable ²	4,815	473		1,061	816		1	6			
Total foreign vegetable.....	105,882	52,935	27,934	36,784	6,014		1	6	14,508	21,214	5,471
Lard neutral.....	1,464	1,355	5,100	8,300	8,133	10,694	9,360	5,786	2,058	3,145	3,498
Oleo oil.....	13,411	11,866	14,332	18,415	22,405	17,236	11,938	8,841	2,545	3,297	4,305
Oleo stearine.....	3,282	3,067	3,386	3,058	2,919	3,448	3,079	2,510	2,086	3,701	3,012
Oleo stock.....	1,532	1,042	1,260	1,919	3,940	2,819	2,092	1,304	335	649	364
Other animal ³		69	164	296	391	915	220	24	18	826	807
Total animal.....	19,689	17,399	24,242	31,988	37,878	35,112	26,959	18,465	7,042	11,619	11,986
Total all fats and oils.....	312,500	242,758	257,389	297,185	346,551	500,194	478,492	498,637	465,495	607,260	735,507

Footnotes at end of table.

TABLE 11.—Materials used in the manufacture of oleomargarine, United States, by calendar years 1928–48—Continued

[In thousands of pounds]

Ingredient	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
Milk (mostly skim).....	73,169	58,655	60,961	67,323	74,875	104,389	101,642	105,002	96,046	116,242	152,502
Vitamin concentrate.....	17	14	13	45	88	121	109	120	103	120	138
Salt and other "conditioning" ingredients ⁴	18,218	13,841	13,773	13,898	15,312	21,758	21,674	21,930	20,496	25,893	31,758
Total miscellaneous.....	91,404	72,510	74,747	81,266	90,275	126,268	123,425	127,052	116,645	142,255	184,398
Grand total.....	403,904	315,268	332,136	378,451	436,826	626,462	601,917	625,689	582,140	749,515	919,905

¹ Includes mustard oil, vegetable stearine, soybean stearine, linseed oil, cottonseed stearine, cottonseed flakes, soya flakes, and soya stearine flakes.² Includes rape oil, rice oil, sesame oil, palm kernel oil, sunflower oil, ouricuri, palm stearine, and palm flakes.³ Includes beef fat, tallow, whale oil, lard flakes—monostearine.⁴ Including derivative of glycerin, lecithin, benzoate of soda, color, ostarine, and miscellaneous.

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture.

Mr. ECTON. Mr. President, I thank the senior Senator from Wisconsin for his comments, and assure him that I agree with all he has said. We can look the world over, and it is almost axiomatic that a nation and its people's standard of living are in direct ratio to the number of dairy cattle owned by that nation and its people. As the Senator from Wisconsin has stated, the dairy herds of the country give us many advantages in addition to supplying the spread for our bread—for example, leather for making shoes, milk and cream for making cheese. The economy of any community is stabilized, in any state or nation, by the dairy industry, and we should do nothing by legislation on a national level that would even put a sense of fear in the dairy interests. I do not believe the Senate is going to do that.

Mr. WILEY. Mr. President, I wish to comment briefly on the table which I have placed in the RECORD. Listing the materials used in the manufacture of oleomargarine, we find corn oil, cottonseed oil, peanut oil, soybean oil, babassu oil, coconut oil, palm oil, lard neutral, oleo oil, oleo stearin, oleo stock, other animal products, such as beef fat, tallow, milk—mostly skim—vitamin concentrate, salt and other conditioning ingredients, rape oil, rice oil, sesame oil, palm kernel oil, sunflower oil, ouricuri, palm stearine, palm flakes, whale oil, lard flakes, monostearine, red oil, neat's-foot oil, and miscellaneous soap stock.

Those ingredients are printed on the package in very small type, but no one can take time to read it.

Those are the ingredients, Mr. President, which go into the product with which the oleomargarine manufacturers would take over the butter market.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. FULBRIGHT. Is the Senator stating of his own knowledge that those ingredients are contained in oleomargarine?

Mr. WILEY. I did not understand the Senator's question.

Mr. FULBRIGHT. Is the Senator saying of his own knowledge, that those are the ingredients of oleomargarine?

Mr. WILEY. I am taking them from the record. I am not an oleomargarine producer, if that is what the Senator's question implies.

Mr. FULBRIGHT. What is the Senator's authority for the statement?

Mr. WILEY. The authority is found in the tables in the RECORD, taken from Government records.

Mr. FULBRIGHT. Those are tables submitted by the butter producers. The Senator knows very well that there is no fish oil contained in oleomargarine.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. AIKEN. I did not understand the Senator from Wisconsin to say that those ingredients are used in oleomargarine.

Mr. FULBRIGHT. That is what I understood him to say.

Mr. AIKEN. I understood him to say that those ingredients are permitted to be used. I think the Senator goes back to the law which permits the manufacture of oleomargarine, and it will be found that fish oil is permitted to be used.

Mr. FULBRIGHT. The Senator says those ingredients are printed on the label of oleomargarine. I say that is not true. It seems to me the least we can do is not to try to mislead persons who read this debate.

Mr. AIKEN. I think it is probable that castor oil and tung oil could be eliminated from the ingredients, but I think the other types of oil mentioned are permissible, although many of them are not commonly used.

Mr. WILEY. Mr. President, I ask that the RECORD be corrected, because I am sure the Senator realizes that in my haste I failed to refer to the percentage of primary fats and oils used in the manufacture of edible products, other than shortening. I should like to correct the RECORD. This is what goes into oleomargarine:

Cottonseed, prime summer yellow; coconut oil, refined; soybean oil, edible; peanut oil, refined; babassu; linseed oil, raw; oleo oil; neutral lard.

The source of that information is the Bureau of Agricultural Economics, United States Department of Agriculture.

Mr. FULBRIGHT. Mr. President, I do not agree that those ingredients go into oleomargarine at all. There are many statements in the RECORD. Most of the ingredients which the Senator has mentioned are not used in oleomargarine.

What he has read is what could be used; it is not what is used.

Mr. WILEY. If the Senator is such an expert, would he mind informing us just what goes into oleomargarine?

Mr. FULBRIGHT. Yes. Cottonseed oil, primarily, to the extent of practically 60 percent. The next largest ingredient is soybean oil; the next is skim milk or dried skim milk. Skim milk is usually utilized because of the ease in using it. The product contains less than 2 percent of peanut oil and corn oil. The principal flavor is milk. Then there is the same flavor which butter manufacturers use. Every trade magazine advertises this flavor, and I know the manufacturers will not keep on advertising it if it is not used. Under the law it is not supposed to be used.

Artificial flavor is also used, and a preservative is used.

Mr. WILEY. Is any rape oil used?

Mr. FULBRIGHT. No.

Mr. WILEY. Sesame oil?

Mr. FULBRIGHT. No.

Mr. WILEY. Beef fat?

Mr. FULBRIGHT. No.

Mr. WILEY. Tallow and whale oil?

Mr. FULBRIGHT. No.

Mr. WILEY. Lard?

Mr. FULBRIGHT. No. Neither are gasoline, lubricating oil, or dynamite used in the manufacture of oleomargarine.

Mr. WILEY. Mr. President, if the debate has degenerated into a question of who is telling the truth, I now ask that the table appearing on page 98 of the hearings before the Committee on Finance, United States Senate, Eighty-first Congress, first session, on House bill 2023, be printed in the RECORD. The source is the Bureau of Agriculture Economics, United States Department of Agriculture, and the table shows that oleomargarine contains substantially the same ingredients I read previously. I ask that my previous statement be stricken from the RECORD and that the table appearing on page 98 of the hearings be substituted therefor.

Mr. FULBRIGHT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. Then I shall read:

Corn oil.

Cottonseed oil.

Peanut oil.
Soybean oil.
Other vegetable.¹
Babassu oil.
Coconut oil.
Palm oil.
Other vegetable.²
Lard neutral.
Oleo oil.
Oleo stearine.
Oleo stock.
Other animal.³
Milk (mostly skim).
Vitamin concentrate.
Salt and other "conditioning" ingredients.⁴

Mr. LUCAS. Mr. President, I should like to inquire of the Senator from Wisconsin how long he thinks it will take to finish the debate on the oleomargarine bill? I ask the question because the Senator from Ohio [Mr. TAFT] made that request of me.

Mr. WILEY. I think it is a very reasonable request. Approximately 15 Senators met a few days ago, and we felt that by next Friday, perhaps, we might be able to reach a vote on the bill, the substitute, and all amendments. I am frank to say that I have my doubts about it at this time, because, while I have been negotiating with my good friend who is leading the fight for the bill, as I am leading it for the substitute, there seems to be no meeting of minds on the subject. While we might be able to reach a vote on the substitute, with the amendments which I have accepted and which now become a part of the substitute, I have a suspicion that other amendments to the bill will be proposed. If that be the case, I am sure there will be no agreement as to closing the debate. I hope we can have a little talk on that subject tomorrow.

Mr. AIKEN. Mr. President, I speak only for myself. May I ask whether the proponents of the bill—and I address the question to the Senator from Arkansas—would be willing to fix a time, whether it be Friday or whatever day may be determined upon, when the bill and all amendments thereto can be voted upon without further debate.

Mr. LUCAS. I should be delighted, as majority leader of the Senate, to enter into that kind of an agreement, and I will say to the Senator from Vermont that I certainly hope that may be done. It seems to me that the remainder of this week should afford sufficient time for the debate.

Mr. AIKEN. The Senator from Arkansas is on the floor. I wonder if he would agree that we might have a vote on the bill, without further debate, at a specified time.

Mr. FULBRIGHT. I should be very glad, and have suggested to the Senator

from Wisconsin that we would like to enter into such an agreement, with the usual provision regarding nongermane amendments.

Mr. AIKEN. Oh, Mr. President, I certainly would not care to leave it to the Senator from Arkansas to determine what a nongermane amendment was.

Mr. FULBRIGHT. We had many agreements of that kind at the last session. The Senator is quite aware of the significance of that. It is not for me to determine—it is for the Parliamentarian to determine. The very simple question is that we would not agree to the attaching of an FEPC amendment to the pending bill, and then agree to have a vote on the bill.

Mr. WILEY. How about the poll tax?

Mr. FULBRIGHT. But all the amendments I know of that have been offered to the pending bill are germane, in my opinion. I do not know of any that are not. There may have been some offered in the last few minutes.

Mr. AIKEN. Does the Senator mean that he would object to a request for a vote on the bill and all amendments at some specified time without further debate?

Mr. FULBRIGHT. I would object to no agreement, with that one provision, which was customary, I think, in every unanimous-consent agreement we had last year. There is nothing new about it. I do not have to tell the Senator from Vermont what it means.

Mr. WILEY. That is the crux of the whole difference between us.

Mr. FULBRIGHT. That was true of every unanimous-consent agreement I know of at the last session.

Mr. AIKEN. Mr. President, as I understand from the title of the bill, there probably would be no nongermane amendment, because it is to repeal the tax on oleomargarine, "and for other purposes." I do not know why the words "for other purposes" were put in the title, but it seems to me that makes almost any amendment germane.

Mr. FULBRIGHT. I would not attempt to tell the Senator about it. He has had far longer experience than I have. He knows as much as I do what is meant by an agreement as to germane amendments.

Mr. AIKEN. If the Senator from Arkansas would delay a final vote on the bill—

Mr. FULBRIGHT. It is all right to misrepresent margarine, but to misrepresent the attitude of the proponents of the pending bill I would say is not in order. We are perfectly willing to vote on the bill and on the amendments that pertain to the question covered by the bill, at any time, tomorrow or the next day, or the next day, but because there is an incipient filibuster developing here I do not think the Senator should attempt to put the blame for it on the proponents of the bill.

Mr. AIKEN. I do not think the Senator from Arkansas should infer that there would be a continuing filibuster if amendments he does not like were proposed.

Mr. WILEY. Mr. President, my attention was distracted. I wish to have it clearly understood, and I think the

Senator told me today he understood, that, so far as I am personally concerned, there is no idea of any filibuster, and I am certain no one can accuse us of filibustering so far. The foreign situation has been injected through no exertion on my part. I personally feel it is well to dispose of one thing at a time, but under the rules of the Senate we can debate anything, but I certainly say that no southern Senator should accuse any northern Senator of filibustering unless he talks at least a month.

Mr. FULBRIGHT. There is no reason at all why we southerners should be accused of participating in a filibuster. We all know that not much progress has been made in debate, and last Friday we had to take a recess shortly after 2 o'clock.

Mr. LUCAS. Mr. President, I do not think that the Senators who are opposed to the margarine bill have attempted up to this point to filibuster the pending question. I am sure the Senators who talked upon the foreign policy were in nowise involved in an attempt to delay a vote upon the bill.

Mr. WILEY. I thank the Senator. That clears the atmosphere. Otherwise I would have replied to the Senator from Arkansas.

Mr. LUCAS. I was afraid the Senator would say that, but there would probably be more heat than light.

Mr. WILEY. That calls for a reply, because if the Senator thinks he is the source of all light in the Senate he had better go some place.

Mr. LUCAS. I regret I made that statement, if the Senator feels that way.

Mr. WILEY. I am serious about it. I do not like these facetious digs any more than the Senator does.

Mr. LUCAS. I am not yielding any further to the Senator until I finish, and I hope the Senator from Wisconsin will try to observe the rules of the Senate, because he is one Senator who constantly chips in when another Senator is talking, whether the Senator yields to him or not.

What I am trying to do is to move along with the debate, and seek to reach some sort of a decision upon the pending measure before the week shall expire, if we can do so. I do not think there is reason for any heated words between any Senators on this question. I think the debate has gone along in as orderly a manner as possible, and my only thought was that if we could get a vote before the week expired the country would be very happy about it, and we could move on with other business. After all, this is a pretty important year, as I said the other day, and if we become involved in long discussions upon extraneous matters we may be in session this year longer than some of us would like to be. Nevertheless, we have a program to carry out, and we are going to try to carry it out irrespective of the amount of time it entails.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Vermont.

Mr. AIKEN. Speaking only as one Member of the Senate, from a dairy State, who likes to do things differently

¹ Includes mustard oil, vegetable stearine, soybean stearine, linseed oil, cottonseed stearine, cottonseed flakes, soya flakes, and soya stearine flakes.

² Includes rape oil, rice oil, sesame oil, palm kernel oil, sunflower oil, ouricuri, palm stearine, and palm flakes.

³ Includes beef fat, tallow, whale oil, lard flakes—monostearine.

⁴ Including derivative of glycerin, lecithin, benzoate of soda, color ostarine, and miscellaneous.

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture.

from some of the Senators from the other States, I should be very glad to agree to a vote on the bill and all amendments thereto at a specified time, preferably not later than Friday.

Mr. LUCAS. I thank the Senator for his statement, but I believe that if the Senator will examine the unanimous-consent agreements of the past session, he will find they have always been accompanied with the provision referred to by the Senator from Arkansas. That has been done primarily on the suggestion of the Senators from the South, because of their intense interest in the civil-rights program. I think the Senator will find that almost universally, in every unanimous-consent agreement, it was provided that only amendments that were germane could be voted on.

Mr. AIKEN. Personally, I think civil-rights legislation is probably as important as the removal of the oleomargarine tax.

Mr. LUCAS. I think it is more important.

Mr. AIKEN. May I ask the Senator when he expects to call up the civil-rights legislation?

Mr. LUCAS. I cannot say exactly to the Senator when we are going to call it up. We have a program that is scheduled for the next 2 weeks, approximately. It all depends, in great measure, on how far we go in the debate with respect to the measure now pending before the Senate. The Senator understands that on the 20th of this month the basing-point bill will automatically come before the Senate. I hope that will not take too much time, but one cannot tell. Judging the future by the past, the basing-point program will consume a considerable amount of time.

Following the disposition of the pending bill we have other measures which we can take up, including an amendment to the Hatch Act and the measure proposing an amendment to the Constitution relating to equal rights for women.

Mr. AIKEN. Does the Senator contemplate taking up the civil-rights legislation following the disposition of the basing-point bill?

Mr. LUCAS. I am not sure, but there is a possibility that we will take up one of the bills at that time.

Mr. AIKEN. Does the Senator expect a civil-rights measure to be taken up by the 1st of March?

Mr. LUCAS. I think so; yes.

Mr. AIKEN. My reason for asking is that many Members of the Senate are fearful that the only way they may get a chance to vote on the civil-rights legislation would be by way of amendment to some other bill.

Mr. LUCAS. I can assure the Senator that he will get a chance to vote on some phase of civil rights legislation before the session closes. The poll tax bill is still sleeping quietly in the Committee on Rules and Administration. I have appealed to my good friend, the Senator from Arizona [Mr. HAYDEN], who is chairman of that committee, to try to bring the bill out of the committee, but so far I have been unsuccessful. The antilynching bill is pending on the Senate calendar, and the FEPC bill is pending on the Senate calendar. Inso-

far as I am personally concerned, I consider the economic question involved in the FEPC legislation far more important than either the political or the social questions involved in the other two bills. I have discussed the matter with the Policy Committee, and it is my intention as majority leader to take up the FEPC bill at some time in the near future, but the exact date I cannot say.

Mr. AIKEN. I thank the Senator from Illinois, the majority leader. I am sure he is sincere in his assertion that he is going to bring up that bill.

Mr. LUCAS. I thank the Senator from Vermont for his last statement, and I assure him I would not make this statement on the floor of the Senate if I did not know that that was going to be done. Furthermore, I sincerely hope that in the debate on the margarine bill we will keep all extraneous matters from cluttering up what seems to me a perfectly good issue. We have our agreements and disagreements upon this very important question, but from the time I have been a Member of the Congress, the past 15 years, I have taken a very decided view about attaching immaterial and irrelevant amendments to a measure before the Congress. I have voted against them, even though I favored many of them if they could be debated on their merits in the regular way, that is, if they came to the Senate through the proper committees and were called up as individual propositions and debated.

I am in favor of repeal of certain excise taxes, perhaps of all of them. But I can not vote for an amendment attached to this bill providing for repeal of excise taxes, because such an amendment does not belong on this bill. That is my position. I cannot vote for such an amendment. If such an amendment should be adopted, the first thing we know we would have excise taxes and margarine taxes all mixed up, and the bill, with such an amendment in it, would go back to the House, and to the House Committee on Agriculture which reported the margarine bill. I think those who are truly interested in the repeal of excise taxes should hesitate and pause before they vote to place such an amendment on the margarine bill, unless they are more interested in defeating the excise taxes than they are the margarine taxes, because, before we get through with the legislation, we might not have either kind of taxes repealed.

Mr. AIKEN. I think the position of the majority leader is well taken, and I believe that a rider to a bill is justified only in the event that it appears improbable that any other opportunity will be afforded to vote on the subject of the rider.

Mr. LUCAS. I think there is some justification for that position.

Mr. AIKEN. Does the Senator from Illinois feel sure that the Senate will have an opportunity to vote on the repeal of excise taxes in the near future?

Mr. LUCAS. I will answer the Senator in this way: The able Senator from Vermont knows that there is a bill on the calendar at the present time which deals with excise taxes. As I recall, the House of Representatives has passed that

bill, which reduced the tax on the importation of copper. That bill went to the Finance Committee, and the distinguished Senator from Colorado [Mr. JOHNSON] attached an amendment to that revenue measure providing for repeal of the excise taxes. As I recall he did not propose to repeal them completely, but I think it was proposed that about 50 percent of the excise taxes should be repealed. That bill is on the calendar, and in the event we do not get an opportunity from the House of Representatives to debate and repeal the excise taxes in what I consider an orderly way, we will then, before we finish, take up the bill which is now on the calendar, dealing with the repeal of the tax on the importation of copper, as well as the repeal of other excise taxes, and through that measure, I will say to the Senator from Vermont, we would then be in a position to discuss with the Committee on Ways and Means of the House the question of the repeal of excise taxes. Otherwise, we would be dealing with the Committee on Agriculture if the excise tax repeal were tied onto the margarine bill. But I again assure the Senator from Vermont that we will also take up that bill before we finish the session, if we do not get the proper kind of an excise-tax repeal bill from the House of Representatives, from which it should come in the beginning, as the Senator well knows.

Mr. AIKEN. I thank the Senator from Illinois, but it seems to me to be a little unusual to take up the matter of repealing a single excise tax, such as the excise tax on oleomargarine, without consideration of all the other excise taxes. I am sure that is the reason why apprehension is raised in the minds of some, that if the pending measure is passed, they might not have an opportunity to vote on the repeal of the other excise taxes. I will accept the word of the Senator from Illinois on that matter.

Mr. LUCAS. The apprehension of the Senator from Vermont is understandable, but it is not well-founded. I think the Senator will agree with me that it is not, after my explanation as to what we expect to do.

Furthermore, with respect to the margarine tax I will say that was a regulatory tax, rather than a revenue-raising tax. It is in a little different category. It is really not an excise tax from that standpoint. It was passed as a regulatory measure many years ago, and from that angle it stands in a different classification and category from all the excise taxes which were imposed during the war for the purpose of raising revenue only. That is another reason why, in my opinion, a proposal to repeal the excise taxes, should not be attached by way of amendment to this bill.

Mr. AIKEN. Of course, a tax originally imposed as a regulatory tax, the margarine tax, has recently become a fairly important revenue tax. At the present time it is yielding about \$17,000,000 annual income.

Mr. LUCAS. It is yielding sixteen or seventeen million dollars annual income. The Senator is correct about that. It has more or less shifted from a regula-

tory to a revenue tax. But in the first instance it was passed as a regulatory tax.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my friend from Wisconsin.

Mr. WILEY. Oh, the Senator from Illinois does not know how I love to hear him say that, after having previously said that I "chip in."

Mr. LUCAS. The Senator was chipping in—

Mr. WILEY. Now we see how the Senator from Illinois is chipping in. The Senator is using a poker term, and is not playing cricket now.

Mr. LUCAS. Just a moment. I have the floor.

Mr. WILEY. Mr. President, who has the floor? The Senator from Illinois yielded to me.

The PRESIDING OFFICER. The Senator from Illinois has the floor, and yielded to the Senator from Wisconsin for a statement.

Mr. WILEY. I thank the Chair.

Mr. LUCAS. I yielded to a question. If the Senator wants to make a speech—

Mr. WILEY. No; I will say just a word, and then we will depart in peace.

Mr. LUCAS. Well—

Mr. WILEY. Does not the Senator want us to depart in peace? Does the Senator want peace or want war?

Mr. LUCAS. Mr. President, I love the Senator from Wisconsin, and I do not want any war with him.

Mr. WILEY. Mr. President, I love to hear the Senator say such things. It is very lovely of him, toward the close of the day, to feel that way about me, but words speak louder than actions at times.

Now, talking about excise taxes, the Senator has brought up a very nice question. The facts will demonstrate that from about 10 percent of all the oleo, and that is all that is colored, the Government collects a tax of \$17,000,000. If the Government wants a source of revenue—and the Government certainly does want sources of revenue—it could place a 10-cent tax on the whole 1,000,000,000 pounds of oleo made now. That would result in more than \$100,000,000 of additional tax. Instead of that, the oleo interests, sensing that there might be, as the Senator from Georgia now suggests, a reevaluation of the whole tax program, have injected this thing on such a basis that the consumer has felt he has been seriously impacted.

I think it might be a pretty good thing, Mr. President, if some method were evolved by which the whole measure could go over until after election, so that the people could really get an understanding of what is involved, and the proper committees could investigate the significant revenue question which is also involved here.

I thank the distinguished majority leader.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Since the junior Senator from Minnesota is a cosponsor of the Wiley substitute, I want my posi-

tion to be perfectly clear. I understand that on the floor this afternoon the Senator from Wisconsin accepted an amendment to our substitute which provides for the repeal of excise taxes. Am I correctly informed as to that?

Mr. LUCAS. I so understood.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. I accepted the amendment which had already been adopted by the appropriate committee; that is, the so-called Johnson amendment to the copper measure, and which was submitted by the Senator from Nebraska [Mr. BUTLER], and which has become, by my acceptance, a part of the substitute measure.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield further?

Mr. LUCAS. I yield.

Mr. HUMPHREY. I want my position with reference to this legislation to be perfectly clear. I entered into cosponsorship of the substitute amendment because of my belief in the justice of our position. I have not entered into any understanding that I will be a party to conglomerate amendments attached either to the main bill or to the substitute. It is my considered belief that neither the civil-rights bill nor the excise-tax amendments ought to be a part of this debate or of this legislative proposal. I believe that those of us who are cosponsoring the amendment in the nature of a substitute are doing a disservice to our cause, to the validity of our position, if we attempt to block this legislation by what I call a parliamentary trick.

I have no intention, I will say to the majority leader and to my colleagues, of being a party to what I consider to be beneath-the-table conniving or strategy to kill this oleo bill. As one participant in the debate, I happen to believe that the Senator from Arkansas and those associated with him are going to lose this fight if we can simply vote the bill up or down.

I hope that my friend the Senator from Wisconsin will reconsider his position, or at least I hope he will be kind enough to take us into his confidence. After all, I am one of the cosponsors of the substitute amendment. I believe I should have been consulted. I believe the Senator from Iowa [Mr. GILLETTE] should have been consulted. Possibly he was; I do not know as to that. But if he was not consulted he should be consulted before we make these rather hasty decisions. So long as I have had the assurance from the chairman of the Finance Committee, I wish to state now that in my considered judgment we are going to have a chance to vote on the repeal of excise taxes, for which I stand, and for which I shall work as a separate item of legislation. Likewise, I say it is my desire to vote on civil-rights legislation as a separate item of legislation.

I stated my position on this subject pretty frankly in the Democratic caucus. I sort of feel bad that we should have gotten ourselves into this sort of a predicament. I wish to say to the Senator from Wisconsin that I do not think we strengthen our case before the American

people by being willing to accept a dozen or more amendments, or even one amendment, from the floor that may not be particularly germane to the subject.

We are talking now with reference to a bill which authorizes the shipment in interstate commerce of a commodity which we say is trying to misrepresent itself. Now, I think we are trying to misrepresent ourselves if we are willing to accept amendments which have no place upon this bill. While I intend to vote for the substitute and intend to work for the substitute, I do not intend to let my conscience be stultified by accepting amendments which I do not believe are germane or worthy of being attached to the pending legislation.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I will yield in one moment. I should like to reply to my colleague from Minnesota. The Senator from Minnesota, in a very forcible and clear-cut way has presented the issue with respect to nongermane amendments, and I wish to commend him for taking the position he has taken. I think he is absolutely correct in his position and in his premise and conclusion in regard to all nongermane amendments to the pending legislation. In view of his vital interest in the dairy industry of his State, and in view of the cause he represents in connection with this measure, I think the position he takes is highly commendable.

Now I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, again I wonder who is indulging in parliamentary tricks. We had a conference in my office. The Senator from Minnesota was invited to be present; he was on the committee. At that conference, in view of the vote taken last year, by which the proponents of oleomargarine on the floor of the Senate enabled oleomargarine to take over the butter market which formerly existed in the Army and the Navy; in view of the fact that, under the bill as introduced, the Government will be deprived of the income from the tax on oleomargarine; in view of the fact that the committee had already reported a bill for the removal of present excise taxes; in view of the fact that the President of the United States was to send a message to Congress in regard to excise taxes; and in view of the fact that everyone seemed to be in favor of removing the excise taxes, it was decided that the Johnson-Butler amendment should be incorporated in my substitute amendment.

Now all at once we find that some persons throw out a smokescreen, saying, "Do not remove the excise taxes." They make that statement in an effort to deprive other Senators of an opportunity to vote definitely on the question of whether millions of farmers should be deprived of their livelihood. Mr. President, we want a show-down on that issue. If it is perfectly all right to deprive millions of farmers of their livelihood, to get rid of 36 percent of the production of beef in this country, and to deprive the Government of the income it has previously obtained from oleomargarine, then I say it is perfectly legitimate—and that was the

consensus of opinion of those who attended the meeting—that we should attach this amendment to the substitute, not to the bill.

As I told the distinguished Senator who is sponsoring the bill, this is a way to demonstrate effectively to the people of the United States that they can get what they want, to wit, removal of the oleomargarine tax, in respect to which \$6,000,000 has been spent to propagandize the people. It is one way to make it possible for colored oleomargarine to be sold, except in interstate commerce or in the States where the sale of colored oleomargarine is prohibited; and it is one way, more than any other, whereby we can demonstrate to the small merchants, to the fur industry, and to others who have been hit by the wartime excise taxes, that we mean business. If we consolidate our forces and bring together all those who are in favor of removing the wartime excise taxes, then we can win.

I say to my good friend, the Senator from Minnesota, that when he votes against the substitute, with or without attaching to it the amendment respecting excise taxes, he will find that we do not have it in the bag; he will find that the oleo interests will once more have put us in the hole.

A few minutes ago, before the Senator from Minnesota returned to the Chamber, we were requested to enter into a stipulation to the effect that relevant amendments could not be attached.

Mr. LUCAS. No; irrelevant amendments.

Mr. WILEY. Well, some might call them relevant.

But the point is that Senators will not be able to obtain a vote which will satisfy the people of the United States if they follow along the line suggested by the Senator from Minnesota, for Senators then will vote in relation to the oleomargarine proposition; and when that occurs, Senators will find themselves confronted with the other amendments which have been suggested, but which many Senators do not want. Already they are being suggested. They are not attached to my substitute. The only amendments attached to my substitute are the one providing for the repeal of excise taxes and the amendment relating to the advertisement requirement; and everyone seems to agree that they are proper. Those two are the only ones which are attached to my substitute.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HUMPHREY. I merely wish to clarify the record in respect to what may be an interpretation of the remarks made by the Senator from Wisconsin.

The junior Senator from Minnesota did not participate in a conference in which he ever agreed to the acceptance of excise-tax-repeal amendments.

Mr. WILEY. I agree to that.

Mr. HUMPHREY. I was invited to the conference, but I did not agree to that.

I merely want it made clear that, insofar as my position is concerned, I feel that by that agreement we are not strengthening the moral or ethical as-

pects of our case. I entered this debate in the belief that the argument we were putting up and the case we were presenting were sound and strong and morally defensible, and I still believe they are. I still believe that what I stated on the floor of the Senate this afternoon is the issue in this case; namely, the issue of monopoly versus small business or the free-economy issue. I am prepared to defend that issue and to fight out the battle along that line.

Certainly I do not wish to usurp the prerogatives of the majority sponsor or cosponsor of the proposed legislation, who, along with the Senator from Iowa [Mr. GILLETTE], has presented it to the Senate; and I do not wish to say that they do not have a right to accept amendments. I merely say it would have been nice if the 25 cosponsors could have been together on this matter, and if it had been possible to see whether all of us were of a like mind.

I know the Senator from Wisconsin would not expect me to be bound by his decision, and I shall reserve the right to form my own judgment when the vote comes.

However, I do accept the statement made by the majority leader and the statement made by the chairman of the Finance Committee that we shall have a chance to vote for the repeal of excise taxes. We ought to repeal them and we shall hold the majority leader and chairman of the Finance Committee to the statements they have made.

Mr. LUCAS. Mr. President, I should like to make one other statement, and then I shall conclude.

Under the parliamentary situation, any Senator has a right to move to strike any portion of the substitute amendment, as it has been modified from time to time by the Senator from Wisconsin. I think I am correct in that statement. So when the time comes no doubt a motion will be made to strike from the substitute the amendment dealing with the repeal of excise taxes, and then we can have a straight vote, either up or down, on the question of whether we wish to include such an amendment.

I am sorry the junior Senator from Minnesota has just left the Chamber.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAGNUSON. I wish to concur in what the Senator from Minnesota has said. I was in the Chamber this afternoon when the Senator from Wisconsin accepted the so-called excise-tax-repeal amendment.

I also am one of the sponsors of the so-called Wiley-Gillette amendment. We accepted the excise-tax-repeal amendment merely for purposes of printing. It lies on the desk.

But, knowing that a motion would be made—if not made by any other Senator, I myself would make it, as one of the sponsors of the original amendment—to separate the two or to strike the latter one, as the majority leader has suggested, no objection was made to accepting it now. Of course, objection could have been made by one of the sponsors; but then another amendment

could have been proposed. So objection then would have served no practical legislative purpose.

Of course, like the Senator from Minnesota, I think this addition seriously weakens the position of those of us who have sincerely believed in the approach of the amendment submitted by the Senator from Wisconsin and the Senator from Iowa. I wish to associate myself with them, having been on the floor of the Senate this afternoon when the acceptance of the excise-tax-repeal amendment occurred. In fact, there were practically no Senators here at that time but the two of us, I believe, and the Senator from Nebraska and the Senator who was presiding over the Senate. That was the situation when the acceptance occurred, as I recall.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. I am glad the Senator from Washington has made the statement he just made.

I say again that every Senator who is a cosponsor of the amendment was notified, or his office was notified, and he came to the conference, and we agreed upon this procedure, just as the Democratic conference agreed on their procedure, as is evidenced by the positions taken by two of the Senators who are now present. They agreed on their procedure. They have demonstrated today that they are holding the front; and they will destroy the benefits which should accrue to the farmers by this bill, if they continue in this way. We have showed them how to win. The Senator from Minnesota says a great moral right and great equities are involved. Certainly they are. However, his farmers do not mean anything to him if he can see the issue in the way he indicates.

On the other hand, I agree with the Senator from Washington that when I accepted the amendment, that did not preclude any Senator from having a right to move to strike what I accepted. Consequently, we have a clear understanding.

But let it also be clear that our good Democratic friends are lining up in accordance with their conference, as reported recently in the newspapers; and it is very clear that the farmers of the United States will now know whom to hold liable, if and when we get a chance to vote on the original bill.

But if certain other amendments, which I have not agreed should be attached to my amendment, are attached to the original bill, some of our Democratic friends will be on the other side of the fence in not agreeing to those amendments.

That is the situation in a nutshell, Mr. President. Perhaps after getting this discussion off our chests, tomorrow we can talk a little more rationally, and ascertain whether there is a basis for compromise, so that we can get some bill which will properly take care of the oleomargarine situation and also the tax situation for the benefit of the country.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. MAGNUSON. The Senator is, of course, expounding his views with respect to an analysis of what the practical legislative procedure should be. I am just as wholeheartedly for the substitute amendment as the Senator is. I think if we put forward the amendment just as it is, relating only to the oleomargarine and butter controversy, the Senator will get more votes from both sides of the aisle than he will by resorting to legislative maneuvering in an attempt to attach the excise taxes or the civil-rights amendments, because there are many of us who sincerely favor the original amendment. We are cosponsors. We would not vote for it with those things attached. I think those of us who are sincere in trying to do what the Senator from Wisconsin I know wants done had better search ourselves. Senators had better search themselves as to the legislative procedure, because the quicker we vote this bill up or down the quicker will the whole thing be determined. We should not clutter it up with all these other amendments. I grant that the excise taxes are a proper subject of legislation, but they are not germane to the issue now before the Senate. The Senator from Wisconsin knows that to be so. The same thing is true of other amendments. I hope the Senator will be persuaded even to vote with us when we move to separate the excise-tax proposal from his amendment.

Mr. WILEY. I cannot accede to the Senator's argument.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, January 11, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 10 (legislative day of January 4), 1950:

ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS

Mrs. Olive Remington Goldman, of Illinois, to be the representative of the United States of America on the Commission on the Status of Women of the Economic and Social Council of the United Nations for a term of 3 years.

UNITED STATES ATTORNEY

Bernard J. Flynn, of Maryland, to be United States attorney for the district of Maryland. He is now serving in this office under an appointment which expired May 4, 1949.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotion in the Regular Corps of the Public Health Service:

Surgeon to be senior surgeon (equivalent to the Army rank of lieutenant colonel):
Curtis G. Southard

Senior assistant sanitary engineer to be sanitary engineer (equivalent to the Army rank of major):

Sheldon L. Lang

Assistant nurse officers to be senior assistant nurse officers (equivalent to the Army rank of captain):

Mary E. McGovern Joan M. Norkunas
Patricia B. Geiser M. Elizabeth Leeds

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date indicated:

Edward T. Thompson, December 30, 1949.

To be senior assistant surgeons (equivalent to the Army rank of captain), effective dates indicated:

Edward A. Beeman, December 30, 1949.

Leon Levintow, December 30, 1949.

DeArmond Moore, December 30, 1949.

Gerald D. Barton, December 31, 1949.

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective dates indicated:

Norman Tarr, November 16, 1949.

John J. Walsh, December 30, 1949.

To be senior assistant sanitary engineers (equivalent to the Army rank of captain), effective dates indicated:

Ray Raneri, December 7, 1949.

Keith S. Krause, December 8, 1949.

James H. Crawford, December 9, 1949.

Joseph H. Coffey, December 14, 1949.

Ernest C. Tsvoglou, December 15, 1949.

Charles R. Bowman, December 15, 1949.

To be assistant sanitary engineers (equivalent to the Army rank of first lieutenant), effective dates indicated:

Donald G. Macomber, November 21, 1949.

Donald A. Pecsok, November 21, 1949.

To be junior assistant sanitary engineers (equivalent to the Army rank of second lieutenant), effective dates indicated:

Paul W. Eastman, Jr., November 18, 1949.

David H. Howells, November 21, 1949.

Richard D. Coleman, November 21, 1949.

John T. Chambers, Jr., November 23, 1949.

Robert L. Harris, Jr., November 23, 1949.

Frank A. Beil, Jr., November 30, 1949.

Ralph J. Black, December 2, 1949.

Edward R. Williams, December 2, 1949.

James D. Mickie, December 5, 1949.

Eugene T. Jensen, December 5, 1949.

To be scientist (equivalent to the Army rank of major), effective date indicated:

William M. Upholt, December 2, 1949.

To be sanitarian (equivalent to the Army rank of major), effective date indicated:

Daniel E. O'Keefe, December 30, 1949.

To be senior assistant sanitarians (equivalent to the Army rank of captain), effective dates indicated:

Samuel M. Rogers, November 15, 1949.

Joseph L. Minkin, November 15, 1949.

Richard F. Clapp, November 16, 1949.

Assistant surgeons to be senior assistant surgeons (equivalent to the Army rank of captain), effective November 8, 1949:

Robert Hanan John H. Waite

Charles W. Whitmore David H. Solomon

John V. Osborne Albert L. Patrick

Ernest V. deMoss Herman H. Gray

Sidney Ketyer

Nurse officers to be senior nurse officers (equivalent to the Army rank of lieutenant colonel), effective December 11, 1949:

Donna Pearce Lydia M. Zetzsche

Helen Bean Margaret G. Arnstein

Senior assistant nurse officers to be nurse officers (equivalent to the Army rank of major), effective November 8, 1949:

Marjorie W. Spaulding Esther Kaufman

Walborg S. Wayne Catherine M. Sullivan

Margaret E. Willhoit M. Lois McMinn
Gladys C. Guydes Anne M. Leffingwell
Emilean Snedegar M. Dolores Howley
Edith M. Hettema Helen N. Buzan
Mary A. Rice K. Barbara Dormin
Gertrude L. Anderson

Junior assistant nurse officer to be assistant nurse officer (equivalent to the Army rank of first lieutenant), effective date indicated:

Marion E. O'Neil, November 8, 1949.

(The above-named officers were appointed during the last recess of the Senate.)

IN THE AIR FORCE

The following-named officers for appointment in the United States Air Force to the grades indicated, under the provisions of title V of the Officer Personnel Act of 1947, with dates of rank to be as established under the provisions of the aforementioned title:

To be major generals

Maj. Gen. Fred Sidney Borum, 45A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. John Edwin Upston, 49A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Laurence Carbee Craigie, 61A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. David Myron Schiatter, 62A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Otto Paul Weyland, 63A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Robert Weils Harper, 53 A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Richard Emmel Nugent, 57A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Earl Walter Barnes, 67A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Charles Pearre Cabeli, 70A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Charles Bertoddy Stone III, 66A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Laurence Sherman Kuter, 89A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Joseph Hampton Atkinson, 90A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Gordon Phillip Saville, 48A (brigadier general, U. S. Air Force), Air Force of the United States.

To be brigadier generals

Brig. Gen. Warren Rice Carter, 181A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Thomas Herbert Chapman, 189A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Charles Edwin Thomas, Jr., 192A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Francis Leroy Ankenbrandt, Jr., 267A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Morris Robert Nelson, 277A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Kenneth Perry McNaughton, 278A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Elmer Joseph Rogers, Jr., 294A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Clarence Shortridge Irvine, 296A (colonel, U. S. Air Force), Air Force of the United States.

81ST CONGRESS
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1950

Ordered to be printed

JANUARY 6 (legislative day, JANUARY 4), 1950

Modified

JANUARY 10 (legislative day, JANUARY 4), 1950

Further modified and ordered to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Proposed by Mr. WILEY (for himself, Mr. GILLETTE, Mr. BUTLER, Mr. THYE, Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER, Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE, Mr. GURNEY, Mr. MUNDT, Mr. AIKEN, Mr. ECTON, Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPEHART, Mr. JOHNSON of Colorado, Mr. CORDON, Mr. HUMPHREY, Mr. DONNELL, Mr. FLANDERS, and Mr. FERGUSON) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: Strike out all after the enacting clause and in lieu thereof insert the following:

1 DEFINITIONS

2 SECTION 1. (a) The term "oleomargarine" as used
3 in this Act includes—

1 (1) all substances, mixtures, and compounds,
2 known as oleomargarine, margarine, oleo, or butterine;

3 (2) all substances, mixtures, and compounds which
4 have a consistency similar to that of butter and which
5 contain any edible oils or fats other than milk fat if
6 (A) made in imitation or semblance of butter, or pur-
7 porting to be butter or a butter substitute, or (B)
8 commonly used, or intended for common use, in place
9 of or as a substitute for butter, or (C) churned, emulsi-
10 fied, or mixed in cream, milk, skim milk, buttermilk,
11 water, or other liquid and containing moisture in excess
12 of 1 per centum and commonly used, or suitable for
13 common use, as a substitute for butter.

14 (b) For the purposes of this Act, "yellow oleomar-
15 garine" is oleomargarine, as defined in subsection (a) of this
16 section, having a tint or shade containing more than one and
17 six-tenths degrees of yellow, or of yellow and red collectively,
18 measured in terms of the Lovibond tintometer scale read
19 under conditions substantially similar to those established
20 by the Bureau of Internal Revenue, or the equivalent of
21 such measurement.

22 (c) The term "commerce" as used in this Act, means
23 trade, traffic, commerce, transportation, or communication
24 among the several States, or between the District of Co-
25 lumbia or any Territory of the United States and any State

1 or other Territory or between any foreign country and any
2 State, Territory, or the District of Columbia, or within the
3 District of Columbia or any Territory, or between points in
4 the same State but through any other State or any Terri-
5 tory or the District of Columbia or any foreign country.

6 PROHIBITED ACTS

7 SEC. 2. The manufacture, transportation, handling, pos-
8 session, sale, use, or serving of yellow oleomargarine in
9 commerce, or after shipment in commerce as yellow oleo-
10 margarine, or in connection with the production of yellow
11 oleomargarine for shipment in commerce, is hereby declared
12 unlawful: *Provided, however,* That yellow oleomargarine
13 manufactured or colored within the borders of a State or
14 Territory in which it is to be consumed shall not be sub-
15 ject to the provisions of this Act but shall be subject to the
16 laws and regulations of such State or Territory. Nothing
17 contained in this Act shall be construed to limit in any way
18 the applicability of the Federal Food, Drug, and Cosmetic
19 Act.

20 SEC. 3. (a) Section 15 of the Federal Trade Commis-
21 sion Act, as amended, is amended by inserting “(1)” after
22 the letter “(a)” in subsection (a) thereof, and by adding
23 at the end of such subsection the following new paragraph:

24 “(2) In the case of oleomargarine or margarine an
25 advertisement shall be deemed misleading in a material re-

1 spect if in such advertisement representations are made or
2 suggested by statement. word, grade designation, design,
3 device, symbol, sound, or any combination thereof, that such
4 oleomargarine or margarine is a dairy product.”

5 (b) Such section 15 is further amended by adding at
6 the end thereof the following new subsection:

7 “(f) The term ‘oleomargarine or margarine’ includes—

8 “(1) all substances, mixtures, and compounds
9 known as oleomargarine, margarine, oleo, or butterine;

10 “(2) all substances, mixtures, and compounds
11 which have a consistence similar to that of butter and
12 which contain any edible oils or fats other than milk fat
13 if (A) made in imitation or semblance of butter, or pur-
14 porting to be butter or a butter substitute, or (B) com-
15 monly used, or intended for common use, in place of or
16 as a substitute for butter, or (C) churned, emulsified, or
17 mixed in cream, milk, skim milk, buttermilk, water, or
18 other liquid and containing moisture in excess of 1 per
19 centum and commonly used, or suitable for common use,
20 as a substitute for butter.”

21 SEC. 4. (a) Effective on and after the first day of the
22 first month which begins more than twenty days after the
23 date of enactment of this Act—

24 (1) the tax imposed by section 1700 (a) of the
25 Internal Revenue Code (tax on admissions) ;

1 (2) the tax imposed by section 3406 (a) (10) of
2 such code (tax on electric light bulbs and tubes) ;

3 (3) the tax imposed by section 2400 of such code
4 (tax on jewelry) ;

5 (4) the tax imposed by section 2401 of such code
6 (tax on furs) ;

7 (5) the tax imposed by section 2402 of such code
8 (tax on toilet preparations) ;

9 (6) the tax imposed by section 3465 (a) of such
10 code (taxes on telegraph, telephone, radio, and cable
11 facilities) ; and

12 (7) the taxes imposed by section 3469 of such
13 code (taxes on transportation of persons, and on seat-
14 ing or sleeping accommodations in connection with such
15 transportation) ;

16 shall be determined without regard to the war tax rates
17 specified in section 1650 of such code.

18 (b) Effective on and after the first day of the first
19 month which begins more than twenty days after the date
20 of enactment of this Act, section 1651 of the Internal Rev-
21 enue Code (retailers' excise tax on luggage, purses, hand-
22 bags, toilet cases, etc.) is hereby repealed.

23 (c) Effective on and after the first day of the first
24 month which begins more than twenty days after the date
25 of enactment of this Act, section 3406 (a) (4) of the

1 Internal Revenue Code (manufacturers' excise tax on photo-
2 graphic apparatus) is hereby amended by striking out "25
3 per centum" and inserting in lieu thereof "10 per centum",
4 and by striking out "15 per centum" and inserting in lieu
5 thereof "10 per centum".

6 (d) For the purposes of section 1657 of the Internal
7 Revenue Code (relating to floor stocks refunds on electric
8 light bulbs) and of section 1658 of such code (relating to
9 the application of the effective date of rate reduction in the
10 case of telephone, telegraph, etc., services) the term "rate
11 reduction date" means the first day of the first month which
12 begins more than twenty days after the date of enactment
13 of this Act.

14 ENFORCEMENT

15 SEC. 5. The Administrator of the Federal Security
16 Agency is authorized and directed to administer and enforce
17 this Act and to prescribe and enforce rules and regulations
18 to carry out its purposes and policies. The enforcement
19 provisions of the Federal Food, Drug, and Cosmetic Act,
20 including the provisions relating to injunctions and seizure,
21 shall be available for the enforcement of this Act.

22 PENALTIES

23 SEC. 6. Any person, firm, or corporation violating any
24 of the provisions of this Act, or of the rules and regulations
25 issued in connection therewith, and any officer, agent, or

1 employee thereof who directs or knowingly permits such
2 violations, or who aids or assists therein, shall upon con-
3 viction thereof be subject to punishment in the same manner
4 and to the same extent as persons who violate the Federal
5 Food, Drug, and Cosmetic Act.

6 APPROPRIATIONS

7 SEC. 7. There is hereby authorized to be appropriated
8 annually, out of any money in the Treasury not otherwise
9 appropriated, such sums as may be necessary for the ade-
10 quate enforcement of this Act.

11 REPEAL

12 SEC. 8. The following sections of the Internal Revenue
13 Code (relating to taxes on colored and uncolored oleomarga-
14 rine, to special occupational taxes on manufacturers, whole-
15 salers, and retailers of oleomargarine, and to packaging, re-
16 porting, and other regulations of oleomargarine) are hereby
17 repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305,
18 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201
19 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305,
20 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201).

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Proposed by Mr. Wiley (for himself, Mr. Gillette, Mr. Butler, Mr. Thye, Mr. Withers, Mr. Magnuson, Mr. Hickenlooper, Mr. Taylor, Mr. Langer, Mr. Young, Mr. Morse, Mr. Gurney, Mr. Mundt, Mr. Aiken, Mr. Ecton, Mr. Jenner, Mr. Cain, Mr. McCarty, Mr. Capenart, Mr. Johnson of Colorado, Mr. Cordon, Mr. Humphrey, Mr. Donnell, Mr. Flanders, and Mr. Fretson) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 4, 1950

Ordered to be printed

JANUARY 6 (legislative day, JANUARY 4), 1950

Modified

JANUARY 10 (legislative day, JANUARY 4), 1950

Further modified and ordered to be printed

ence and Industry dinner, Washington, D. C., December 2, 1949, which appears in the Appendix.]

WE ARE FOR TAFT'S REELECTION—EDITORIAL FROM COLLIER'S MAGAZINE

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an editorial entitled "We Are for Taft's Reelection," published in the January 14, 1950, issue of Collier's, which appears in the Appendix.]

SENATOR SCOTT W. LUCAS—ARTICLE BY SIDNEY SHALETT

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article regarding Senator Lucas, written by Sidney Shallett, and published in Collier's magazine for January 14, 1950, which appears in the Appendix.]

ADDRESS BY MARY DONLON BEFORE NEW YORK STATE FEDERATION

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an address delivered at a meeting of the board of the New York State Federation by Mary Donlon, National Federation's program coordination chairman and chairman of the New York State Workmen's Compensation Board, published in the Independent Woman of November 1949, which appears in the Appendix.]

FORMOSA STAND SAID TO PUT ALL PACIFIC IN JEOPARDY—ARTICLES BY GILL ROBB WILSON

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an article entitled "Formosa Stand Said To Put All Pacific in Jeopardy," written by Gill Robb Wilson, and published in the New York Herald Tribune of January 10, 1950, which appears in the Appendix.]

WHY IS GENERATION A PERENNIAL ISSUE?—ARTICLE FROM THE RURAL ELECTRIFICATION MAGAZINE

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article entitled "Why Is Generation A Perennial Issue?" written by Malcolm W. Wehrung, and published in the January 1950 issue of the Rural Electrification magazine, which appears in the Appendix.]

A POLITICAL PROGRAM FOR DEMOCRACY—ADDRESS BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address entitled "A Political Program for Democracy," delivered by him before the New York Herald Tribune Forum on October 24, 1949, which appears in the Appendix.]

AGRICULTURAL PRICE SUPPORTS AND THE BRANNAN FARM PROGRAM—EDITORIAL COMMENT

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "United States Price Props for Farm Crops Dip, Survey Reveals," published in the St. Paul (Minn.) Dispatch of December 12, 1949, and an editorial entitled "Brannan's Warning," published in the St. Paul Pioneer Press of December 14, 1949, which appear in the Appendix.]

LAST YEAR'S LYNCHINGS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Last Year's Lynchings," published in the Washington Star of January 9, 1950, which appears in the Appendix.]

POLICY FOR ASIA?—ARTICLE BY JOSEPH AND STEWART ALSOP

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article

entitled "Policy for Asia?" written by Joseph and Stewart Alsop, and published in the Washington Post of January 9, 1950, which appears in the Appendix.]

GOMPERS CENTENNIAL—EDITORIAL FROM THE WASHINGTON STAR

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Gompers Centennial," published in the Washington Star of January 9, 1950, which appears in the Appendix.]

PROGRAM FOR STRENGTHENING CONGRESS—LETTER TO SENATOR HUMPHREY FROM ROBERT HELLER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a letter addressed to him under date of January 27, 1949, by Robert Heller, chairman of the National Committee for Strengthening Congress, which appears in the Appendix.]

TURN OF THE CENTURY—EDITORIAL FROM THE MINNEAPOLIS TRIBUNE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Turn of the Century," published in the Minneapolis Tribune of January 1, 1950, which appears in the Appendix.]

BENEFITS PAID MINNESOTA WAR VETS PASS \$105,000,000—ARTICLE FROM THE ST. PAUL DISPATCH

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Benefits Paid Minnesota War Vets Pass \$105,000,000," published in the St. Paul Dispatch of January 6, 1950, which appears in the Appendix.]

SAMUEL GOMPERS—HIS STORY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Samuel Gompers—His Story," published in the Minneapolis Labor Review of January 5, 1950, which appears in the Appendix.]

FLOOD PERIL AT VINCENNES, IND.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared dealing with flood conditions at Vincennes, Ind., and I also ask to have printed in the body of the RECORD an article entitled "Vincennes Peril Grows," written by Jep Cadou, Jr., published in the Indianapolis Star of January 9, 1950.

There being no objection, the statement and the article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

Mr. President, at this moment the citizens of that historic city of Vincennes, Ind., are hoping and praying that an unfinished flood-prevention project holds off the raging waters of the Wabash River.

At this moment, Mr. President, the citizens of Vincennes are in deathly fear of the catastrophe they hoped would be prevented by a flood wall for which they have pleaded for years.

I am sure that every Member of the Senate has been reading of the disastrous Indiana floods and the great danger to Vincennes.

The crest of the Wabash flood is expected today or tomorrow.

Whether the short and completely inadequate flood wall around Vincennes will hold is a matter of conjecture.

Vincennes suffered heavy damage from floods in 1943 and in 1945.

I was there and watched Vincennes fight for its life in 1943.

Only because wartime troops stationed near Vincennes were rushed into the city to help bulwark its defenses against the floodwaters was the city saved.

In 1945 more damage came to the city, and in 1946 the Congress heeded our pleas for help and authorized a new and larger and safer flood wall.

While that was pending in the budget another flood hit Vincennes and finally the Congress appropriated \$40,000 for planning a new flood wall with authorization to spend \$360,000 for building the wall this year.

I appeared before the Appropriations Committee of the Senate last April and pleaded that the appropriation be made so that work could start at once.

I am fully familiar with the Vincennes problem and I greatly feared the very thing that is happening today in Vincennes.

In my testimony before the committee I said:

"This, to my mind, is an emergency because these floods in the Wabash River simply will not wait; and if we have a really bad flood and a lot of high water, we are going to lose literally tens and tens of thousands of dollars' worth of property. We are going to lose a lot of levees."

Mr. President, I gave this warning to the committee:

"I am fearful even now that we will lose the whole thing before it can be finished."

You see, Mr. President, I live along the White River just about 20 miles away, and I am quite familiar with what happens when the Wabash River goes on a rampage.

The fears I expressed for the safety of Vincennes less than a year ago were not unfounded.

If the Congress a year ago could have taken a meager \$360,000 out of the billions and billions of dollars that were sent overseas the people of Vincennes would not today be in danger.

We have been penny-wise and pound-foolish in many ways, Mr. President, and this instance is certainly one of them.

For the last several days nearly 1,000 troops from Fort Knox, Ky., have been helping the Vincennes volunteers in the battle to save the city that was the first capital of the great Northwest Territory.

Thousands upon thousands of dollars are being spent to bolster that wholly inadequate flood wall.

Thousands upon thousands of dollars are being lost in property because levees above and below the city have been broken in order to save the city.

And yet today we are not sure that the city of Vincennes will not be wiped out along with many other levees along the river.

I think, Mr. President, that in this session of the Congress we could well give more attention to our own people before we spend weeks and months of our time perfecting ways and means of pouring more billions of dollars into foreign lands.

[From the Indianapolis Star of January 9, 1950]

VINCENNES PERIL GROWS—SANDBAGS RUSHED AS RIVER THREATENS TO OVERFLOW LEVEE (By Jep Cadou, Jr.)

Troops and volunteers frantically sandbagged the Vincennes sea wall last night in preparation for the highest flood crest in the city's history—expected to reach within inches of the top of the wall.

As the rising Wabash River reached 26.15 feet there yesterday, the Weather Bureau revised upward a previous estimate of a 28-foot crest.

The river probably will go over 28 feet and perhaps almost to 29 late Wednesday or early Thursday, said Paul A. Miller, chief meteorologist at the Indianapolis Weather Bureau.

The wall is 29 feet high. Army engineers said troops from Fort Knox, Ky., may be ordered momentarily to begin construction of mud boxes atop the wall to safeguard the city.

Meantime, 30 miles north, a crumbling dirt levee was expected to wash out momentarily and flood 5,500 acres of farm land. Authorities gave up an attempt to save the levee by sandbagging.

Graysville, a small Sullivan County community 5 miles east of the expected levee break, was evacuated and Indiana 154 was blocked by Indiana State police.

On the Illinois shore of the Wabash River, opposite the weakened levee, Illinois State police closed the Hudsonville bridge.

Indiana State Police Superintendent Arthur M. Thurston expressed fear some sightseers attracted to the area might have remained and could be in danger.

State police said a shift in wind or the flood crest, due within 48 hours near Graysville, could wash out the levee. If the break occurs, a slightly lower crest would occur at Vincennes.

With the level of the Wabash behind the levee higher than the downtown business section, water began pouring up through sewer openings on downtown streets. Evening services at the First Methodist Church were cut short so that the congregation could leave before water, already running-board deep, became too high for driving.

The Niblack levee, nine miles north of Vincennes, broke through at 9:20 p. m., flooding 16,000 acres of bottomland, State police reported. There were no casualties.

U S 50 between Vincennes and Lawrenceville, Ill., was closed by high water yesterday.

Some 970 troops and 200 volunteers were filling and stacking sandbags last night.

REPEAL OF EXCISE TAXES—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I prepared this morning entitled "Excise Taxes Should Be Repealed Right Now Simultaneously With Dairy Amendment to Oleomargarine Bill."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

EXCISE TAXES SHOULD BE REPEALED RIGHT NOW SIMULTANEOUSLY WITH DAIRY AMENDMENT TO OLEOMARGARINE BILL

Mr. President, yesterday I attached, on behalf of myself and cosponsor of the Gillette-Wiley amendment to the oleomargarine bill, the Butler-Johnson amendment for reduction of the wartime rates of many nuisance excise taxes. Unfortunately, there has been a certain amount of confusion on this question interjected into the discussion by the oleo lobby, and I should like to set forth below, in a few points, the issue as we see it:

1. We have provided to the American consumer a golden opportunity to repeal excise taxes right now instead of waiting for some mythical tomorrow, when the administration may deign to bring up the excise-tax issue. We notice that the opposition is frantically promising to bring up excise taxes sometime during the session. In the meantime, however, it is simply stating a fact that the administration will be bombarding Congress with requests to spend \$42,000,000,000 and more money, and even increase the prospective \$5,000,000,000 deficit. In other words, as time goes on, the administration hopes to embarrass the Congress so much, by its requests for appropriations, that the promise of excise-tax repeal will more and more fade into the background.

2. The Senators who have agreed to a one-package excise-tax repeal—dairy substitute amendment—did so in sincere support of excise-tax relief. In other words, we firmly believe, as our able colleague, the Senator from Nebraska [Mr. BUTLER] said yesterday, that the time is long overdue to cut the tax on transportation of persons from 15 to 10 percent; on local telephone calls from 15 to 10 percent; on luggage to eliminate completely the retailers' excise tax of 20 percent, replacing it only by the previous manufacturers' tax of 10 percent. We believe that the time is overdue to cut the wartime rate on admissions.

The opposition has attempted to smear our effort and to imply that we are simply trying to kill oleo legislation. That, Mr. President, I respectfully submit is a downright misstatement and misinterpretation of fact. We want some form of oleo legislation to pass, and we want it to pass with excise-tax repeal. We want the dairy substitute amendment to be voted simultaneously with excise-tax relief.

I say to my colleagues who announce that they will try to strike the excise-tax provisions from the dairy amendment:

You are unwittingly fooling yourselves and fooling the people in leading them to believe that—

(a) The people will ever get excise-tax relief unless it is voted immediately, or

(b) A real friend of the 2,250,000 dairy farmers can simultaneously vote for the dairy amendment but vote to strike out the excise-tax amendment.

The dairy farmers of America are not fools. They recognize that a one-package dairy substitute excise-tax bill provides the greatest hope for American agriculture and for the American consumer simultaneously.

I urge every American voter, who wants his excise-tax burden relieved, to urge his Senator to vote to retain the one-package approach, rather than to split it.

PROPOSED RESUMPTION OF DIPLOMATIC RELATIONS WITH SPAIN—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared urging that the United States send an Ambassador back to Madrid to resume normal diplomatic relations with the Spanish Government. I ask unanimous consent that the text of this statement be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED STATES SHOULD RESUME RELATIONS WITH SPAIN THROUGH AN AMBASSADOR AT MADRID

It has been my firm belief that the best interests of the United States and of world freedom and peace would be served by arranging for the return of an American Ambassador to Madrid to resume normal relations with the Spanish Government.

There is quite a bit of confusion by some folks on this point. In order to be positively sure, in turn, about my own facts, some 3 months ago, I addressed an inquiry to the Senate Foreign Relations Committee to secure the background of this problem. On the basis of the answer which I received and further inquiries which I have conducted, I should like to state the following:

WE DO RIGHT NOW HAVE BUSINESS WITH MADRID

1. It would be inaccurate to say that the United States does not recognize General Franco's government. Actually we have an Embassy at Madrid which is under the supervision of a chargé d'affaires, and we continue to do business with the Spanish Government, but not through an Ambassador.

2. We have not had an Ambassador there for several years. This is due largely to the fact that in 1946 the General Assembly of the United Nations passed a resolution recommending to the members of the United Nations that their Ambassadors to Madrid be withdrawn. Even then, our Ambassador was not at his post in Madrid and since then we have not returned him to his duties there.

3. Prior to that, at the San Francisco Conference a resolution was passed to the effect that Spain should not be permitted to participate in the work of the UN as long as General Franco headed the Government.

BIPARTISAN SUPPORT OF RESUMING RELATIONS

4. The fact that leading American legislators believe that the time is long overdue to change America's policy is indicated by the following: Both Senators CONNALLY and VANDENBERG have expressed the view that it is, for example, completely inconsistent for us to have an Ambassador in hostile Moscow and not one in anti-Communist Madrid. We also note that the chairman of the House Foreign Affairs Committee, Congressman KEE, has now also recommended steps toward a resumption of ambassadorial relations with the Madrid government.

UN RESOLUTION NOT BINDING

5. I should like to point out that in December 1949, at a press conference, Senator CONNALLY stated his belief that the resolution adopted by the UN General Assembly "was not necessarily binding on the United States." He further stated that "it was simply a persuasive resolution recommending to the country that they do this." Senator CONNALLY then went on to emphasize the advantages of having an Ambassador at Madrid, and I will set them forth now.

SPAIN HAS VITAL SIGNIFICANCE TO WESTERN PLANS

6. No one disputes the fact that if an American Ambassador represents our interests there, he can look after the needs of our citizens, serve as a listening post, conduct high-level talks, if necessary with Spanish officials, report to our Government on trends in that area of Europe and elsewhere, etc. This is wholly aside from the question of the present status of our fight against communism throughout the globe.

7. But now, at this point, let us add the crucial fact that we are engaged in a cold war with the anti-Christian and revolutionary conspiracy of the Soviet Union. We have poured untold billions of dollars since the end of the war into Europe to stop communism. We are right now pouring a billion dollars of arms into the western European countries. We are not being choosy about the politics of some of our friends, because we have no alternative but to side with those who sincerely oppose communism.

We sent military missions to Greece although we had doubts about some of our friends there; but we had no doubts about the murderous Greek Communists who were destroying that unhappy little land. We are pouring economic and other aid to Red-turncoat Marshal Tito, although the memory is still fresh in our mind that he was blithely shooting down American airmen but a few years ago.

FEW NATIONS ENJOY AMERICAN-STYLE LIBERTIES

The Portuguese Government is a party to the North Atlantic Treaty, although her people do not enjoy the rights that our own people do. In fact, if we were to withdraw our ambassadors from every country whose people do not enjoy American-style civil liberties, we would have an army of unemployed American envoys, including United States diplomats from every country behind the iron curtain.

We thus see that a realistic view of the situation requires that we utilize every instrument available in our fight against communism or else we will simply be cutting off

our nose to spite our face. We will be failing to fully recognize General Franco's government because of some obsolete decisions made by the UN which are by no means binding.

SPAIN'S INTERNAL AFFAIRS ARE SPAIN'S BUSINESS

8. To return our Ambassador to Spain does not mean that we approve of the Madrid Government's policies any more than we necessarily approve any other government's policies. Spanish internal affairs are the business of the Spanish people themselves. No one disputes the fact that General Franco is now, always has been, and always will be a powerful opponent of communism. The position of Spain at Gibraltar and at the Pyrenees is of obvious military importance in future operations.

To return our Ambassador to Madrid does not mean, of course, that we are committed to defending western Europe only at the Pyrenees (as against defending it at the Rhine.)

The Madrid Government is stable. It possesses all the qualities of a state, and it is ridiculously inconsistent for us to pursue a policy which is now completely outdated, which is not doing us any good, the devout Spanish people any good, or western Europe any good, but which is only helping our common foe—the brutal Communist clique in the Kremlin.

CONCLUSION

I, therefore, urge the President and his Secretary of State to reconsider their policy and to change it in the light of present-day realities. I urge them to make the strongest possible representations accordingly to the United Nations.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. McCARTHY], inserting certain language after line 10, on page 4 of the original bill.

Mr. THYE. Mr. President, I rise to support the Gillette-Wiley substitute to H. R. 2023. Because I am convinced that removal of restrictions relating to oleomargarine colored yellow in imitation of butter would have a serious adverse effect on the dairy industry, and eventually the entire agricultural economy, I have joined with a group of 25 Senators in sponsoring this amendment in the nature of a substitute to House bill 2023. The amendment would repeal the Federal taxes on oleomargarine, but would make unlawful the manufacture, transportation, or sale of yellow oleomargarine in interstate commerce. This measure is along the lines I believe necessary as a fair safeguard to consumers and producers of both dairy products and substitutes.

Yellow oleomargarine manufactured or colored within the borders of a State or Territory in which it is consumed would not be subject to the provisions of the proposed act, but would be subject to the laws and regulations of the State or Territory. The application of Federal pure-food laws would not be limited by the act, and the enforcement provisions of those laws are specifically cited in connection with the new provisions to be ad-

ministered by the Administrator of the Federal Security Agency.

In all areas except those adjacent to large metropolitan centers, the dairy producer is dependent on the butter market. The dairy farm lends itself to the most practical type of diversified farming. It is a family-type farm operation, and that is just what we are trying to continue in America, with its individual ownership, individual management, and individual opportunity for the children of a family to assist in the farm work.

We have appropriated hundreds of millions of dollars for soil conservation and soil-building practices. Butterfat comes from dairy farms which, with their acres of pasture lands and legumes, build the soil. A large percentage of oleomargarine is processed from vegetable oils produced from row-crop operations, such as soybean and cotton production, which deplete the soil.

Even in the South, progressive agriculturists have endeavored to establish livestock and diversified farm management in the development of family-type farms. If we now yield to the great pressure of a few large processors of oleomargarine, some of whom are internationally involved—a pressure aided by the Cotton Council—we shall be taking a step backward in respect to the continuance and growth of family farms in this Nation.

I wish to call the attention of Senators to some of the previous statements which have been made not only by my colleague the Senator from Minnesota [Mr. HUMPHREY] but also by the Senator from Iowa [Mr. GILLETTE] and other Senators, who have called specific attention to the international cartels and international organizations which are hoping to engage or which are engaged in the processing of oleomargarine.

Mr. President, it was just a few years ago that a subcommittee of the Senate Committee on Agriculture attended a hearing at Memphis, Tenn.; and from Memphis we went to Muscle Shoals. While we were examining that plant and the TVA development, some of the soil conservationists took us into the countryside and showed us some farms which had been eroded by row-crop operations in years past. Then they showed us another farm, one of several hundred acres. "This farm, as you see it now, is a much better looking farm unit than it was when we first commenced to work on it a few years ago," they said. "This particular farm you now look upon was as badly eroded as some of the fields you see over on yonder hillside. And nothing very much other than weeds and brush were growing on that long general slope that you are now looking at."

We were on the roadside, looking up over more than half a mile of general slope, and it was then beautifully terraced, and grass was growing on it. Herds of dairy cattle could be seen grazing over the general slope of that countryside, and we saw some excellent, well-improved farm buildings. It was a unit which had been developed or created on land which had been so badly eroded that only a short time before it had been

laid aside as useless or waste land. Yet by its rebirth, so to speak, the contouring and reestablishment of grass on the land, and the establishment of a dairy herd, the operators of that farm were bringing about a production from land which at one time had been laid aside as useless. The dairy cow fitted into the picture there. Without the aid of the dairy cow, it would have been useless, and an utter waste of time, for the operators of that farm to attempt to reestablish the fertility of the soil by means of the use of commercial fertilizers and the contouring of the land, because unless the land is tied down with a grass crop, it will erode again as soon as the rains come. But with the grass crop and the hay lands or meadowlands which were furnishing dry legumes and feed for the dairy cows, the operators of the farm were establishing a very profitable unit.

I have cited that case to show how the dairy cow fitted into the picture for the reclamation of some badly eroded land in the vicinity of Muscle Shoals or TVA, in the section of the country from which the President pro tempore of the Senate comes. I could cite many other projects—for instance, some in Arkansas, in Mississippi, and elsewhere in the South—where such reclamation projects or operations involving the reclamation of badly eroded lands have been developed, and where the family type of farm and the dairy are now providing prosperity, opportunity, and hope to the individual farmer or individual family man.

I can cite instances of family men coming before the committee at that hearing and telling how well they were progressing now that they had introduced the diversified type of farming, had ceased growing row crops, and were engaged in animal husbandry or in the care of dairy cows. That necessarily meant that there was a creamery adjacent to that particular farm unit or farm operator's location, in order that he would be able to dispose of the butterfat produced on his farm, because unless such a farm operator is located very close to a large, metropolitan milk-consuming area, he is dependent upon the processor of butter to process the commodity or product of his farm into a salable product.

I have cited these instances in order that we may better appreciate what we shall be confronted with if we take such action as will permit a synthetic product to take the market of a genuine product like butter.

By destroying the butter market we may help a few large processors of the substitutes, but we shall put out of business thousands of small creameries all over the land. There are 348 cooperative creameries and 146 independent creameries in Minnesota alone. These creameries serve the thousands of individual farmers residing in our State who have no fluid-milk market.

The eastern markets are closed to these farmers by the milk-marketing control legislation, which protects the producers in areas adjacent to our great metropolitan centers. I myself could not bring a can of milk into the Wash-

ington market this morning, in competition with the milk sent into the Washington market by the producers who operate in this area. I could not do so even if I desired, and even though the milk would qualify as grade A milk, because there is a milk board which has control of this market, as well as of the markets in Baltimore, Philadelphia, and the other Atlantic seaboard cities. For that reason the milk produced in the Midwest in the diversified-farming areas must be separated, the butterfat must be churned, and the butter must then have a market. If oleomargarine takes over that market, what are we going to do with the milk we produce in areas where we do not have a large milk-consuming population or a large milk-consuming market to which to sell our milk?

There are more than 3,500 creameries in this country, employing about 40,000 people. There are only 26 oleo manufacturers, and, according to their own admission, their work force at the present amounts to only 4,619 persons. Thus, 10 times as many workers in dairy plants alone would face cuts in salary or possible lay-offs as a result of the serious blow to the dairy industry which the repeal of regulations on oleo, as contemplated by House bill 2023, is certain to cause.

Union leaders are alive to the danger facing the skilled workers in dairy plants all over the country. Many have telegraphed me concerning the matter.

Ray Johnson, business agent of the Milk Drivers and Dairy Employees Local No. 32, at Duluth, Minn., has sent me the following:

Our union is definitely on record opposed to the coloring of oleo.

Gene Larson, of Minneapolis, chairman of the International Conference of Dairy Employees, affiliated with the AFL, asks for delay in considering the present legislation, so that his union organization could have time "to prepare ourselves to be in the best possible position to defeat legislation sponsored by the oleo interests."

Eugene R. Hubbard, vice chairman of this group of employees, has sent various Senators the following telegram:

International Conference of Dairy Employees, Division of International Teamsters Union, affiliate of American Federation of Labor, representing more than 100,000 union employees in dairy plants of the Nation respectfully urges your support of Gillette-Wiley amendment to H. R. 2023, now on Senator Calendar. It repeals oleo taxes but protects consumers and dairy industry from imitation of yellow butter, in interstate commerce.

Now, Mr. President, what is the main argument on this question? It has been heard in this legislative chamber time and again for the past half century. The whole argument involves the restriction on color. Despite all the propaganda that has been circulated, there has been wisdom in the continued restriction of the sale of oleomargarine when camouflaged to resemble butter in every detail. Color restriction does not deny the consumer a food product, nor does it impose a financial burden on anyone.

Color adds nothing to the food value of oleomargarine.

The simple fact is that the processors of oleomargarine are attempting to duplicate butter to the last degree. They have, already, successfully incorporated the flavor of butter into the substitute product. They have made oleomargarine resemble butter in texture by adding preservatives. They have packed the oleomargarine in packages made to resemble butter cartons, even to the extent of putting farm scenes and pictures of dairy cattle on them and displaying the word "butter." If they are now allowed to color oleomargarine without restriction, they will have duplicated butter in every detail. There can be only one reason for all this. It is all for the purpose of benefiting from the age-old consumer habit of using butter.

Oleomargarine is not entitled to the yellow color. They claim that oleo has as much right as butter to the yellow color is false. Oleo in this country is largely produced from the oils of cottonseed and soybeans. The oleo industry claims it must bleach these oils white because of Federal laws. The real reason is that when cottonseed oils are turned into fat they become grey, and when soybean oils are turned into fat they become green. In order to have a uniform color the oleo manufacturers must bleach out the grey and green colors. It is impossible to produce a natural yellow oleomargarine from domestic oils.

Butter, on the other hand, is always yellow—although at some seasons of the year it is less yellow than at others. That could be explained in this manner: If cattle are on green pasture, the milk itself will have a yellow tint, and the butterfat definitely will come out quite yellow. If the cattle are on dry feed and have been confined to the barnyard or within buildings, as they must be in the winter months, the butterfat then will not be so yellow. In order to have uniformity, there has been a practice of yellowing the butter, so that the season will make no difference in the shade of yellow when the butter is processed. When color is added to butter it is for the sake of uniformity—not for the purpose of making it look like some other product.

Mr. President, in considering the proposals now before the Senate, H. R. 2023, as reported by the committee, and the substitute sponsored by 25 Senators, we are agreed that the present Federal tax of one-fourth cent a pound on uncolored oleomargarine and 10 cents a pound on the colored product, as well as the manufacturers', wholesalers', and retailers' fees and taxes should be removed. We agree on this simply as a matter of Federal tax policy, but we ought not to be misled by false propaganda which a well-financed lobby has circulated that the 9¾ cents added tax on the colored product has worked a hardship or added an expense to the consumer. The 9¾ cents is assessed only against the colored product. When the product is purchased uncolored, the tax is not imposed.

As for the consumer, no one pays the 10-cent tax unless he purchases yellow

oleo. The old contention that the home-coloring of oleo is tedious and wasteful no longer holds water. Modern packaging enables a housewife who wants yellow oleomargarine to color it very easily, quickly, and without waste. I may explain why I say that. A small capsule of coloring matter is placed in a 1-pound package of oleomargarine, and all the housewife has to do is to squeeze the pack a few times. The capsule bursts and the coloring matter spreads through the oleomargarine, after which the housewife breaks the pack. In this manner the oleo is as beautifully colored as the processor himself could possibly make it, and the housewife is not required to pay the tax of 9¾ cents.

I may further say that, once the processor is given the unrestricted right to color the product, without an additional tax because of the coloring, the housewife will pay dearly for the product. The makers of oleo, by reason of its imitating butter, will then bring their price up to about the price of butter, and it will remain there so long as they can find a market. Of course, they will find a market, if the product looks like butter, smells like butter, has the texture of butter, and is branded as butter.

Furthermore, oleomargarine already has been given competitive privileges which are denied to butter. It may be flavored with butter flavor and preserved with a preservative. Neither of these—nor any other extraneous substances—may be added to butter.

Yet, the basic purpose of the 10-cent tax on oleomargarine colored yellow in imitation of butter is not to tax one food to protect the market of another. Its purpose is intended to protect the consumer, just as our pure food laws are intended to do, against adulteration and substitution. Fundamentally, there is no restrictive tax on oleomargarine except when it masquerades as butter.

Other imitations of good butter are taxed; why should oleo be exempted? Adulterated butter—which, like oleo, is an imitation of good butter—carries the same per pound tax and the same manufacturers', wholesalers', and retailers' occupational taxes as does colored oleo. There is no reason why an exception should be made for oleomargarine. Or do the proponents of removing all Federal restrictions on yellow oleomargarine intend to come forward with a repeal of the taxes on adulterated or reprocessed butter? Senators have never heard it mentioned. Would such action be in the public interest? The answer, of course, is "No."

It is my prediction that repeal of the present laws, as contemplated by H. R. 2023, would prove costly to the consumers.

Already in the city of Washington, for example, colored oleo has sold on the same day at from 14 to 20 cents a pound more than uncolored brands. A recent national survey shows that in cities where yellow oleo may be sold, its price ranges as much as 30 cents more a pound than white oleo. The average mark-up in nine cities was 21.8 cents a pound. The tax is only 10 cents a pound. It is a prod-

uct that carries only a tax of 9¾ cents, provided it is colored. Yet, when it is marketed after being colored, and is sold where permitted to be sold, in such States as do not have regulations on the subject, it will oftentimes carry a price, when colored, of as much as 30 cents a pound more, when in reality the tax imposed is only 9¾ cents a pound.

Who gets that exorbitant overcharge? It certainly is not the farmer. No, Mr. President, I assure you that farmers never see a penny of that extra money the consumer pays.

And what will happen to the price of oleo if the present laws are repealed? The production of colored oleo could be expected virtually to displace uncolored oleo. There would be nothing to prevent the colored product from being sold at substantially higher prices than the uncolored—with little or none of the uncolored available. How would that help the consumer?

The touching concern of the oleomargarine interests for the consumer, aided by certain metropolitan newspapers, which have been misled by the so-called housewives' revolt, is about as synthetic as the product they would exploit at the expense of our dairy industry.

The American housewife is being fooled in this fight. Another segment of the public, restaurant patrons, are likely to be fooled, too. In the event all Federal taxes are removed and there are no restrictions on how oleomargarine is to be marketed, it will be used in restaurants where some 60,000,000 meals are served daily. The sponsors of H. R. 2023 propose that the pats of oleomargarine served in public eating places be triangular in shape. By "pats" I refer to the familiar servings of individual portions of butter or oleomargarine on a small dish. The oleomargarine used in a sandwich, of course, would lose its identifying triangular shape, and served in half-pounds or quarter-pounds in a dish on a table it would not have its triangular shape. Very few people would examine the walls of a public eating place for a sign to indicate that they were being served oleomargarine. That, of course, is what House bill 2023 proposes to do. It proposes that there shall be a sign in the restaurant saying, "We serve oleomargarine here." The oleomargarine would have to be served in a small triangular pat to indicate that it was not butter.

If House bill 2023 is allowed to pass, oleomargarine will enjoy every marketing advantage of butter, and the age-old taste for butter is in the market that the processor of oleomargarine is striving to capture.

The processor of oleomargarine contends that he has successfully incorporated all of the food and nutritive values of butter in oleomargarine. This question, of course, could be debated at great length. Speaking from my own experience, I know we cannot successfully raise a calf by extracting from the milk all the butterfat and substituting other fats in the same quantity. In nearly all such cases the calf will die. There have been scientific experiments made by some of the leading dairy specialists

of the Nation, and their experiments have also proved this to be true.

In a radio broadcast on January 2 of this year, Dr. William E. Petersen, professor of dairy husbandry in the Agricultural College of the University of Minnesota, described experiments conducted at the Minnesota station by Dr. Gullickson.

I know both those gentlemen very well, and I know that Dr. Petersen is one of the greatest dairy specialists and one of the greatest students of the dairy cow in the entire United States.

In this radio broadcast Dr. Petersen described experiments conducted at the Minnesota station by Dr. Gullickson, where various fats have been emulsified into skim milk including butterfat after being taken out of the milk and reemulsified into the skim milk. These various fats put into skim milk—such as butter oil and corn oil, soybean oil, peanut oil, hydrogenated vegetable oil and animal fats such as lard and tallow—have been compared for rates of growth and general well-being of the calves over a period of many years.

What were the results?

Dr. Petersen replied to that question in these words:

The results have been rather striking. It is proven that there is something in butterfat that is not found in any of the other fats because the calves on butterfat have done so much better than those getting an equivalent of other animal fats, but the most striking results of these experiments has been the observation of the vegetable fats when emulsified into skim milk and to resemble whole milk have been toxic to calves. As a matter of fact, all calves on such diets have died, while those that received the butterfat emulsified back into skim milk did as well as those that received whole milk.

Those are remarks of Dr. Petersen, the great dairy specialist of the University of Minnesota.

The scientist added that the experiments have not yet revealed what it is in butterfat that makes it superior to other fats. "There are certain things we have eliminated," he stated. "For instance, vitamin deficiency is not the factor as the addition of all known vitamins to these calves failed to prevent the onset of the disastrous symptoms."

I have heard the question asked—in fact, the same question has been asked of me—"Why the contention, if you cannot detect the difference in taste between oleomargarine and butter?" That question was asked me in a Senate subcommittee hearing a year ago, and I simply answered in this manner: "You cannot detect strychnine in milk by the taste, but certainly your stomach will know the difference. Likewise, you cannot detect the difference between butter and oleomargarine as it is now processed, but your stomach will soon detect it, as there are certain oils which can be used in the making of oleomargarine which the body cannot assimilate in the same manner as it assimilates butterfat."

At this point, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter which I recently received from Mr. Henry J. Hoffman, chief chemist of the Minnesota Depart-

ment of Agriculture, Dairy and Food, who has had wide experience in the problem of enforcement of food laws. I personally served as deputy commissioner of agriculture in Minnesota and had charge of enforcement of the food laws, so that I can speak from personal experience as well as quote Mr. Hoffman's letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA, DEPARTMENT OF AGRICULTURE, DAIRY AND FOOD

Senator E. J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: At the request of the Minnesota Dairy Industries Committee, the writer would like to point out the following facts in the butter versus oleomargarine controversy which is now raging.

1. The State dairy commission was originally created in 1885 for the sole purpose of regulating oleomargarine. At that time, oleomargarine was being freely sold in imitation of butter, and the great bulk of oleomargarine sales were as yellow oleomargarine, palmed off as butter. The legislature saw the need of a law which would enable the public to readily differentiate between butter and oleomargarine. Hence, the law was passed prohibiting the coloring of oleomargarine, and this department (then called the Minnesota Dairy Commission) was created to enforce the law.

2. Butter has always demanded a higher price than oleomargarine, and since the public is willing to pay this higher price, they are entitled to reasonable protection to insure that they get the product that they pay for. The public's protection is the distinguishing color between white oleomargarine and yellow butter. The housewife who complains about the effort used to color her oleomargarine yellow at home would be the first one to complain if she paid the price for genuine butter and received yellow oleomargarine. Experts—chemists, nutritionists, food officials, doctors, and the like—will have little difficulty detecting oleomargarine from butter even if both were yellow, but laws are not enacted for such experts, they are enacted to protect the everyday layman who, not being endowed with sufficient knowledge, is the one who will be defrauded. And such laymen are the great purchasing public, not the few experts.

3. The magnitude of enforcing the law and insuring people that butter was genuine, if yellow oleomargarine was permitted to be sold, would be so great and so expensive that the cost of administrative effort would be prohibitive.

4. There is no value, either nutritional or otherwise, to the color the oleomargarine manufacturers wish to add to their product. Its only purpose is to cause their product to resemble butter. Why do the oleomargarine manufacturers not direct the effort now expended seeking yellow oleomargarine to some worth-while project such as extolling the merits of their pure white product?

5. Most food manufacturers, including oleomargarine manufacturers, make an advertising point of calling to the public attention that their products are free from artificial color and flavor—yet here is a product which is free from such ingredient, yet the manufacturer wishes legislation so that he can add them. How can such controversial ideas be reconciled?

Let it be further pointed out that butter manufacture is the cornerstone of the dairy industry, and that dairying is one of the most important functions of the American farmer. Our whole economic structure is based upon the products of the soil and the producers

of such product—the farmer. To permit the wholesale defrauding of the American public in one of the key items of the diet—butter—will, without question, upset the price differential now existing between butter and oleomargarine, and conceivably upset our present economic picture still further. It is true that today the price of butter is high, but let us not forget that oleomargarine, too, has trebled in price. This is a fact which the oleomargarine manufacturers have spent considerable effort in soft pedaling. We should not be concerned so much with price in this controversy, as we should in price differential.

Lastly, it should be pointed out, American manufacturers are constantly extolling the individuality of their products, and through advertising seek to point out the distinguishing features of their products—yet here come the oleomargarine manufacturers who wish to submerge the identity of their product in the shadow of another. They are disinterested in making their product an individual unit, but, rather, would have it be an imitation. When such efforts are made, we should investigate them thoroughly, because, usually, fraud and deceit are coupled with such efforts.

Sincerely,

HENRY J. HOFFMAN,
Chief Chemist.

Mr. THYE. Mr. President, what are the dangers to the agricultural economy of the United States if we lose the butter market to this synthetic product that looks like butter, tastes like butter, and is sold in cartons that have the appearance of butter cartons?

I hope each Senator will ask himself that question.

The dangers are far more serious than appear on the surface in what, in a narrow sense, is the proposed removal of an excise tax. Since butter accounts for 16 percent of all dairy cash income and is the outlet of 27 percent of all milk produced in this country, most of our dairy-farm leaders are convinced that loss of the vital butter market will mean an agricultural depression.

Certainly, the effect on an important segment of American agriculture will be very serious.

First, in the Midwest our diversified farm operation will be jeopardized. Without the butter market there is no outlet for the products of the dairy farm because, as I have stated before, the great metropolitan fluid-milk markets are closed as a result of existing legislation. The two and one-half million dairy-farm families would be injured in every State in the Union. There would be 40,000 milk-processing plants, and their employees that would be adversely affected. The eventual effect on dairying as a whole would be drastic and would lead to changes in our diversified agriculture.

One of the most serious results of this trend would be the effect on our soil resources by discouraging dairy farming, the most important contributor to sound soil conservation.

The dairy-farm movement has been extended into the South to reclaim land that has long ago been depleted of its top soil by constant row-crop operation. I have visited farms in many areas of the South where the dairy cow is now utilizing the legumes and pasture lands which are helping restore the soil. If we destroy the butter market by the pend-

ing legislation, we shall handicap the Extension Service and the Soil Conservation Service of the Department of Agriculture in their endeavors to introduce diversified farming in areas of the South where they have found it is not sound practice to continue to grow the row crops.

If legislation is enacted which does destroy the butter market, we are placing the huge holdings of butter of the Commodity Credit Corporation in a precarious position.

Mr. President, I hope my colleagues will pay strict attention to the holdings which the Commodity Credit Corporation now has of butter, cheese, and powdered milk.

In order to support butter prices in 1949, the Commodity Credit Corporation purchased 115,000,000 pounds of butter at an average cost of only 62 cents a pound. This represented a cost of \$171,300,000, and the Commodity Credit Corporation, in order to further support dairy prices and to maintain dairy prices somewhere near 90 percent of parity, purchased 26,000,000 pounds of cheese at only 12½ cents per pound, and the total sum so expended was \$8,255,000. If we destroy the butter market many of the farmers who are today engaged in growing legume crops and who have many good fertile acres of land in pasture will have to turn to raising another type of crop. That will greatly aggravate our surpluses of corn and wheat, but it will be agreed it will also aggravate the cotton problem in the South. We need only examine the figures to see that we do have a problem.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I am most happy to yield to the Senator from Vermont.

Mr. AIKEN. Would not the Senator like to point out that the dairy industry of this country, first, furnishes one of the largest single items of tonnage which the railroads and other means of transportation carry? They transport fertilizer to the farms, milk to the cities, and dairy products of all kinds. More important than all else is the transportation of grain to the dairy farmer. I do not know how much grain my small State now uses, but 10 years ago we were importing over 500,000 tons of grain annually into that one small State. When we multiply that by the amount of tonnage that moves over all our roads we can easily see what the effect would be of losing a considerable part of that tonnage. It would mean that a bad situation would be made very much worse, if not even desperate.

Mr. THYE. The very able Senator from Vermont is indeed correct when he says products of the dairy industry constitute one of the greatest sources of traffic which the railroads have an opportunity to transport.

Mr. AIKEN. I should like to point out also that it takes almost five times as much man-labor to make 1 pound of butter as it does to make 1 pound of oleo. When we consider the two or three million people who today are employed in the production of dairy products, who are employed the year around, 365 days

of the year, and compare that labor with the seasonal labor which is required to produce oleomargarine, we can form some idea of what the effect will be on our labor supply and on the standard of living of our workers.

Mr. THYE. I thank the able Senator from Vermont for adding those facts to the discussion.

Mr. President, let us examine some of these surplus problems. In 1948 approximately 55,000,000 bushels of corn alone were placed under loan or purchase agreement. The support price was \$1.44, which represents a commitment of approximately \$821,400,000. It is impossible to state how much of this corn the Government now actually owns and how much is still under loan or will be resealed under some future loan. As of November 30, 1949, 19,235,372 bushels of the 1949 crop had been placed under loan or purchase agreement, involving a commitment of \$26,929,000.

If we take a look at the cotton situation we find of the 1948 crop 5,271,772 bales were placed under loan. Of this, 1,490,772 bales were redeemed by the end of 1949, leaving 3,781,000 bales under Government ownership or commitment. The average support price in 1948 was \$158 a bale. Thus there was a total investment of \$597,398,000 in the 1948 crop as of December 31, 1949. That is surplus cotton that is held by the Commodity Credit Corporation, because there is no domestic demand or any exportable demand for it at the time.

What we need to do is to find some way of diverting some of these cotton acres to some other kind of crop, in order that we may not have the surplus problem in cotton as I have described it. If we increase our corn acreage, we are going to have an aggravated surplus problem on our hands, and we already have a problem of surplus corn. So what we need to do is to expand our dairy industry, and induce more families to engage in dairy farming and soil building, rather than to throw them further into the category of adding to the cotton surplus, as well as the corn surplus. In the event we destroy the butter market, we can rest assured that some of those now engaged in diversified types of agriculture in Alabama, Mississippi, and all the other Southern States, including Arkansas, will turn back to some kind of a row crop, whether it is peanuts, or cotton, or soybeans.

I merely call to the attention of my colleagues that we need to think seriously this afternoon and in the remaining hours or days before we cast our votes on the pending question and decide whether we are going to disrupt our whole agricultural economy, or whether we are going to reject the demand on the part of the oleo processor to be allowed to sell his product competitively with butter, in all its synthetic duplication of butter.

The total investment in cotton of the two crops as of the end of 1949 was \$947,043,350.

If, by destroying the butter market, we stop the trend toward diversified farming and the introduction of the dairy cow into the Southern States we are going to

have a greater clamor for cotton acreage quotas and a greater demand to grow cotton than there is at the present time, as I stated earlier in my remarks.

As an example of the reactions of dairy producers to the controversy in which we are engaged, I wish to read a letter from a Minnesota farmer, Mr. N. O. Evenson, of Litchfield, Minn.:

LITCHFIELD, MINN., January 3, 1950.
The Honorable EDWARD J. THYE,
Washington, D. C.

DEAR SENATOR THYE: I know that you are doing valiant work in behalf of the American farmer in your stand opposing the oleomargarine interests in pending legislation on this question. I am writing you, thinking you may be interested in receiving some opinions of farmers on this question.

I will make my comments brief; for this reason I will not mention some of the strongest arguments we have regarding the oleomargarine issue, such as the dairyman's rights to the yellow color.

This is a farmer writing to me:

I will confine my letter to some of my thoughts as to how this legislation can effect the consumers, who at present seem to be 100 percent on the oleo side of the question.

First, the coloring of oleo yellow will tend to raise the price of oleo and lower the price of butter. This will reduce the anticipated saving to the consumer.

Second, the dairy farmer is not compelled to keep on producing dairy products.

Give thought to that. He says the butter farmer is not compelled to keep on producing butter products. If he did not continue, I am afraid there would be times in the year when the consumer would be drastically short of fluid milk, because there are peak and low seasons of production.

To go back to the farmer's letter, he says further:

From our Minnesota Department of Agriculture we learn that there are 7,000 farms in Minnesota that had dairy cows on them in 1940 that do not have any dairy cows in 1949. This trend away from dairying is sure to increase if this bill is passed in its present form.

Third, the consumer should be interested in keeping the young men on the farm, where they are needed to produce food. Every obstacle placed on agriculture tends to increase the drift of farm boys to the cities, where they can have such privileges as the 40-hour week, time and one-half for overtime, etc. We see indications every day that can stop us and make us wonder as to what direction we are going. For an example, a good 120-acre farm with a full line of good buildings was sold recently in this neighborhood for \$12,000. This would only buy a modest modern home in Litchfield or any other town in the land.

I am still farming the farm where I was born, and have a lot of first-hand experience with the problem of farming. In my opinion, the passage of the oleo bill will not only be a disastrous blow to agriculture but it will react indirectly and unfavorably to the best interest of the consumer.

Yours sincerely,

N. O. EVENSON.

Mr. Evenson was thinking soundly on this question.

Mr. President, dairy farmers do not object to fair and honest competition, but they vigorously resent unfair competition from an imitation product. Yellow oleomargarine lends itself readily to fraudulent substitution. Therefore, a

law to bar interstate shipment of yellow oleo is eminently fair, since it leaves to the individual States the right to regulate its manufacture and sale within their own borders.

Oleomargarine should be sold as a separate and distinct product with an identity of its own. Had the oleomargarine industry the courage to market its product on its own merits, and not as an imitation of another product, little regulation would be necessary.

Leading dairy and farm organizations favor the repeal of all Federal taxes and license fees on oleomargarine. They urge, however, a ban on the interstate shipment of oleomargarine colored yellow in imitation of butter.

The Gillette-Wiley substitute, which is sponsored by 25 Senators, is designed to accomplish both of these purposes. I firmly believe that adoption of the substitute amendment would be in the public interest.

I most sincerely hope that the substitute amendment will receive the support of at least a majority of the Members of the Senate.

STATEMENT BY SENATOR TAFT ON FORMOSA

MR. TAFT. Mr. President, shortly before the first of the year, I expressed the opinion in an interview in Ohio that we should hang on to Formosa and prevent Communist occupation of Formosa, even though it involved the use of our Navy. I did not suggest the occupation of Formosa, nor the sending of any army, or even the sending of any navy. Our Navy is there already, with bases within a short distance, and its ships are between Formosa and China, as anyone knows who read this morning's newspapers. Formosa is a hundred miles from the mainland and there can be no crossing if our Navy makes it clear that ships carrying troops will not be allowed to cross. In fact, probably there would be no such attempt at all if the State Department made it perfectly clear that we do not intend to permit Communist occupation of Formosa.

The basis of our foreign policy in the last 3 or 4 years, if there has been any consistent foreign policy, is to contain communism where it is and prevent any single step of advance, because success in any such step is certain, considering the character of communism, to lead to another step. We, therefore, sent our military aid and our officers into Greece, although it might easily have involved us in war. We have given military aid to Turkey and to Iran. We have stood firm against Communist advance in Korea and provided the Koreans with large amounts of military aid and American advice. In undertaking the air lift in Germany, we certainly risked war with Russia in order to maintain unimpaired our position in Berlin. We are asked to appropriate billions of dollars to arm western Europe, although there is no evidence that at the present time the Russians contemplate any military attack in that area. We have given notice to Russia, by the adoption of the Atlantic Pact, that if its troops advance across the boundaries of Italy or the American or British zones of Austria or

Germany or Denmark or Norway, it will find itself at war with us. In our policy of laying down the law, "this far you shall go and no further" we have not hesitated to risk war. There is not the slightest evidence that Russia will go to war with us because we interfere with a crossing to Formosa. It is hardly possible to see how the Chinese Communists by themselves can begin a war against the United States, or why they should do so.

In China for some reason, the State Department has pursued a different policy from that followed throughout the rest of the world. There is not the slightest doubt in my mind that the proper kind of sincere aid to the Nationalist Government a few years ago could have stopped communism in China. But the State Department has been guided by a left-wing group who obviously have wanted to get rid of Chiang, and were willing at least to turn China over to the Communists for that purpose. They have, in effect, defied the general policy in China laid down by Congress. In recent months it has, of course, been very doubtful whether aid to the Nationalist Government could be effective, and no one desires to waste American efforts. But Formosa is a place where a small amount of aid and at very small cost, can prevent the further spread of communism. Such action does not commit us to backing the Nationalist Government in any prolonged war against the Chinese Communists. We can determine later whether we ever wish to recognize the Chinese Communists and what the ultimate disposition of Formosa shall be.

As I understand, the people of Formosa if permitted to vote would probably vote to set up an independent republic of Formosa. The status of Formosa, therefore, should certainly be kept free for determination until the peace treaty has been written with Japan. Formosa must be legally a part of Japan, for it is difficult to see how the mere declaration of the President at Cairo or Potsdam can change that status without a treaty. One thing is certain, if the Communists take over Formosa, we will have just as much chance of setting up an independent republic of Formosa as we have of returning the western German provinces from Poland to Germany. We know that the Communists will give up nothing which they have occupied. Certainly, we do not desire or intend to undertake an aggressive war to recover land the Communists have occupied. On the other hand if, at the peace conference, it is decided that Formosa should be set up as an independent republic, we certainly have the means to force the Nationalist's surrender of Formosa.

The President's statement on January 5 follows the usual course of setting up a straw man and then proceeding to knock him over. He said:

The United States has no predatory designs on Formosa or on any other Chinese territory.

No one has suggested that it has.

The United States has no desire to obtain special rights or privileges or to establish military bases on Formosa at this time.

No one has suggested that it has such a desire.

The United States Government will not pursue a course which will lead to involvement in the civil conflict in China.

The course suggested will not lead to any such involvement, although, of course, we have involved ourselves in the civil conflict in Greece, in Korea, and elsewhere. When the President, however, says, "Similarly, the United States Government will not provide military aid or advice to Chinese forces on Formosa," he is departing from the policy pursued by us in every other part of the world where the question is whether communism shall be checked. While he states that we will continue the present ECA program of economic assistance, it is quite clear from the past course of the State Department that they have not the slightest intention of giving such assistance in any effective way in such a manner as to assist the occupants of Formosa and defeating a Communist attack.

Those who argue against any action in Formosa are curiously inconsistent. The distinguished Senator from Texas shudders at the possibility of war, although the chance we are taking is 1 in 10 compared to that we are taking in Europe today.

One columnist fears that any action in Formosa different from exactly the action of the State Department would antagonize the leaders of India and Indonesia. His theory seems to be that the way to stop communism in India is to permit it to move into Formosa. That is an exact reproduction of the argument used in support of the policy of Munich. Strange to say, the same columnist is all for extending aid to Burma and Indochina against Communist attack, although it is infinitely less practical and more expensive and difficult than the maintenance of an independent Formosa.

Another columnist argues that if we do not immediately extinguish the Nationalist Government, Red China will not be able to demobilize to carry out economic reconstruction. Therefore, he argues, we should recognize the Communist government. Whatever may be the arguments for such recognition, it is quite certain that it will in no way tend to reduce the armies of the Chinese Communists. Russia has continued to maintain a huge army, although it is faced with no threat of invasion whatever. I think it is safe to predict that it will be many years before the Chinese Communists reduce their armies by one soldier, because only by those armies can they possibly hope to control China.

The question of the containment of communism is largely a practical one. The only reason so much heat has been engendered about the Formosan situation is the bitter resentment of the State Department and its pro-Communist allies against any interference with its policy of liquidating the Nationalist Government.

No two men are more familiar with the Far East than General MacArthur and former President Hoover, and both of them are able to see the obvious military

and political facts of the situation. Here is a small area of the world where, with no difficulty or expense, we could prevent the spread of communism to an island which might be of great strategic value and whose people desire to be independent.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. I should like to know if the able Senator from Ohio is familiar with the press dispatch which came over the teletype a short time ago, and which I now wish to read into the RECORD as follows:

WASHINGTON.—Two Democratic Senate leaders today rejected a Republican demand that the Joint Chiefs of Staff be called to give Senators a report on the strategic value of Formosa to America's far-eastern defenses.

Chairman CONNALLY of the Senate Foreign Relations Committee and Chairman TYDINGS of the Senate Armed Services Committee both turned thumbs down on the proposal made by Senator KNOWLAND.

KNOWLAND said he plans to place his request in writing before the armed services group. But TYDINGS said this was a matter for the Foreign Relations Committee to handle.

And CONNALLY told a reporter: "The President already has made his decision on Formosa. I have no intention at present of asking the Joint Chiefs for their views."

CONNALLY said the Joint Chiefs are due to visit the Far East next month. After their return, his committee may ask them to make a report—but not before.

KNOWLAND wants to know if the State Department and the President had the views of the Joint Chiefs of Staff and other military experts before arriving at the hands-off decision on Formosa.

The President announced last week the United States will not give military aid or advice to the defenders of the big island which is the Chinese National Government's last stronghold.

CONNALLY told a news conference yesterday the committee might call on the Joint Chiefs and Secretary Johnson for a report on the far eastern strategic situation.

But he made it clear this morning he plans no action at present in this direction. "It would serve no good purpose to call them at this time," CONNALLY said. "I am satisfied the President made his decision with the full knowledge of all the facts involved."

I should like to ask the Senator whether he knows of any way the Congress of the United States can come to sound decisions in connection with the performance of its constitutional obligations in meeting the defense needs of the Nation and in helping to formulate foreign policy, if the Congress is to be denied information to which it is entitled and upon which it could base those judgments.

Mr. TAFT. No; I think Congress is entitled to such information, and must have it in order to reach sound judgments. Of course, the strategic importance of Formosa is something upon which I have not undertaken to pass in my statement. I do not know. But obviously its strategic importance is a vital factor in the determination of the Formosan policy; and obviously the Joint Chiefs of Staff should be listened to; and obviously we should have the best possible advice on the question of whether Formosa is a strategic place, from the point of view of war.

Mr. KNOWLAND. I merely wish to say, as one Senator who is not a member of the Foreign Relations Committee, that I hope the committee will press for an answer to these questions.

As a member of the Armed Services Committee, despite the quotation of the chairman of the committee to which I have referred—and I hope he is not correctly quoted in the article appearing today—I intend to bring that matter before the Armed Services Committee. I think it is one which vitally affects the defenses of the United States. But if we cannot succeed, through either of those committees, we shall make every effort to do so through the Appropriations Committee, when the National Defense Establishment comes before us for funds to support Okinawa and other bases in that area of the world, and when there is good reason to believe that the loss of Formosa into unfriendly hands may jeopardize our strategic position in our other island defenses. In one of those committees we certainly intend to get the answers to these questions.

We certainly did not get the answers to the questions in the Foreign Relations Committee yesterday.

Mr. TAFT. Mr. President, it seems to me that we certainly should have the best advice in regard to what the military facts are. I see no reason why we should not demand that they be given to us, entirely apart from what the foreign policy of the State Department may be.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Ohio yield to the Senator from Michigan?

Mr. TAFT. I yield.

Mr. VANDENBERG. As I have said before, Mr. President, I do not wish to enter this debate until all the facts are available. My interest has been in the development of the facts.

I know nothing about the authenticity of the statement read by the Senator from California [Mr. KNOWLAND]; but, in view of its purport, I must say, with the greatest respect to my distinguished colleague, the chairman of the committee, that so far as I am concerned, I cannot feel that I have obtained adequate information in respect to the facts, without the testimony of the Defense Establishment in general, and of the Secretary and of the Chief of Staff in particular. So far as I am concerned, I would consider that testimony to be not only pertinent, but indispensable.

Mr. SALTONSTALL. Mr. President, will the Senator yield, to permit me to ask a question?

Mr. TAFT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator has expressed himself in regard to the defense of Formosa, and so forth. Perhaps the question I shall ask is a little beside the point; but inasmuch as the Senator is still on his feet and has spoken on this subject, I should like to ask him a question on a subject which was discussed the other day by the Senator from

New Jersey [Mr. SMITH]. Has the Senator from Ohio given any consideration, as a Senator and as a lawyer and as a citizen, to the title, let us say, to Formosa at the present time? Does the Senator consider Formosa to be a possession of the Nationalist Government, a part of China, or an island whose final disposition awaits further treaties and further discussions of Formosa?

Mr. TAFT. It seems obvious to me that legally Formosa was a part of Japan for 50 years, and was so recognized by the world. I do not know how that status could be changed, except by treaty. I do not think it could be changed by Presidential declaration at Cairo or Presidential declaration at Potsdam. Whatever its status, I think it is something different from the status of the mainland of China. I think that is entirely clear.

So I think we are entirely free, when we participate in the treaty with Japan, and I think the other nations participating in the treaty are entirely free, to set up an independent Formosa. I do not think our hands are necessarily tied by any other action taken by the United States.

Mr. SALTONSTALL. Then, is it the Senator's opinion, from his knowledge of the law and of the general situation, that Formosa cannot be turned over to the Chinese Nationalists by any surrender agreement or papers signed there?

Mr. TAFT. No; I think they are merely in possession there today, by general consent. But I cannot see how China, whatever China is, has yet acquired any legal title to Formosa.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. FERGUSON. The first answer which has been given would, it seems to me, indicate the correct view, for otherwise would it not be possible, and even probable in this case, that we would find ourselves, so far as Germany and Japan were concerned, in the position that secret agreements had been made at some of the conferences, and therefore the entire peace had already been determined, and there would not be anything for the peace treaty to take up?

Mr. TAFT. I do not think we can admit—whatever the moral obligations may be—that we are in any way legally bound by declarations of the President, either in secret or made openly, as to the disposition of different parts of the world.

Mr. FERGUSON. Is it not one of the purposes of the provision of the Constitution which calls for ratification by the Senate of peace treaties and all other treaties, that there must be formal action by both the President and the Senate in passing upon questions which might involve us in war?

Mr. TAFT. Yes; I agree with the Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I came into the Chamber just at the end of the Senator's remarks. Of course, I was very

much interested in them, in light of the position I took here a few days ago.

I shall say to the Senator, if he will permit me to do so, that the proposition I discussed 2 days ago was based upon the assumption—and apparently the Senator from Ohio makes the same assumption—that until the peace treaty is signed, there is a question about the status of this particular part of the world.

Mr. TAFT. That is as far as we have to go.

Mr. SMITH of New Jersey. Yes; that is as far as we have to go.

Mr. TAFT. Because if there is a question, we at least should keep the field open, so that we can decide that question as it should be decided. But once the Communists are there, we shall no longer be a free agent in respect to deciding that question, unless we are willing to undertake an aggressive war.

Mr. SMITH of New Jersey. Then the Senator from Ohio will agree with me, will he not, that there is a responsibility on the part of the United States, if there is a question as to whether Formosa is or is not a part of Japan, to see that the status quo is preserved, for the protection of everyone concerned—the people of the island, the Chinese Nationalist Government, the Communists—if they have any rights there—and ourselves and our own interest?

Mr. TAFT. I agree with the Senator. Mr. SMITH of New Jersey. I thank the Senator from Ohio.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BREWSTER. The Senator has suggested a very interesting question which, I take it, referred to the powers of the President of the United States in time of war to make agreements of a military character. I take it that question is to some extent implicit in this problem.

I do not know to what extent hitherto that has been a matter of concern; but is it not obvious that if the principle of the power of the President to make, in time of war, agreements of primarily a military character, in return, let us say, for the entrance into the war, at a certain time, of a particular country, in return for which the President has promised certain territories, can be established, then, despite the provision of the Constitution, as it is stated very plainly in section 2 of article 2, namely—

He—

That is to say, the President—shall have power, by and with the advice and consent of the Senate—

And I labor the word "advice" somewhat—

to make treaties, provided two-thirds of the Senators present concur—

The President's power will be unlimited, will it not?

If there is no limit on the Presidential power to make agreements in time of war, then the entire function of the Senate in that respect might easily be eliminated. Is that correct?

Mr. TAFT. Yes; I think so. The President has rather encroached already

on the powers of the Senate; and now a good many things which used to be done by treaty are done by agreement.

But certainly the disposition of the territory of another nation is something which still must be done by treaty, and cannot be done by executive agreement. If we admit any such power to proceed by way of executive agreement, we certainly very much curtail the powers given to the Senate by the Constitution.

Mr. BREWSTER. And is it not highly important that the Senate, if it has any regard for the importance of its constitutional functions, should see to it that there is some determination of this right, before we completely surrender it, particularly since we now have involvements in so many sections of the world? Moreover, are we not now still at war?

Mr. TAFT. I do not know that we are at war. We have not yet disposed of the questions arising from the war. I suppose that technically we are still in a state of war, for the purpose of many statutes and for various other purposes. For some purposes, I would think we are not at war.

Mr. BREWSTER. If in a time of actual hostilities the Presidential power were established to make agreements which would bind us, might not it be possible that then we could easily move into a twilight zone—whether we call it war, or regardless of what we call it—in which the President could continue to assert the right to make agreements which would bind the country under certain eventualities, if we continued to permit this encroachment upon the power of the Senate and this expansion of Presidential power?

Mr. TAFT. Yes; I think that is true.

Mr. SALTONSTALL. Mr. President, will the Senator yield at this point?

Mr. TAFT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. So as to carry out what the Senator has just said to the Senator from Maine, and to bring the matter to a logical conclusion, let me ask this question: In a case in which our country has been at war with another country, and the other country has surrendered, its title to its possessions cannot be turned over to another country without the consent of the Senate, can it? Is not that a logical conclusion?

Mr. TAFT. Yes; I think that is a logical conclusion.

FEDERAL RENT CONTROL—TELEGRAM TO GOVERNOR DEWEY BY SENATOR CAIN

Mr. CAIN. Mr. President, the junior Senator from Washington felt constrained yesterday afternoon to send a telegram to the Governor of New York State. I wish to read the telegram, which speaks rather plainly for itself, and to draw its substance to the thoughtful consideration of my colleagues. It reads as follows:

WASHINGTON, D. C., January 10, 1950.
Gov. THOMAS E. DEWEY,
Albany, N. Y.

DEAR GOVERNOR: The New York Times of Monday, January 9, carried a front-page story by its Albany correspondent, Leo Egan, in which it was stated that you and your advisers are considering the advisability of replacing the prevailing Federal rent law in the near future with a State rent-control

system. It would not be proper for me to say that rent controls have outlived their usefulness in New York State because I am not familiar with the facts in your area of jurisdiction but I am qualified to venture a prediction that President Truman's request for an extension of the 1949 Rent Act beyond its termination date of June 30, 1950, will be denied by a majority of the Republicans and Democrats in the Congress. Those of us in the Congress who have considered the rent-control question since 1946 to be an economic rather than a political problem are now completely certain that we can defeat the proposed extension of the Federal law by using only the economic facts which have resulted in those scores of American communities of all sizes which have been decontrolled in the last year. Those for whom I speak will use every conceivable legitimate means including whatever time is required to prevent the Federal Government from any longer mismanaging and interfering with the property rights of American citizens throughout the Nation. It is unrealistic to assume that the Congress will authorize Federal rent controls for the beginning of our new half century. If there are isolated communities in America which can establish a proven need for continuing rent controls those communities or their parent States must be charged with a full responsibility for managing their own affairs. New York City may be an exception to the general rule that only good will result from the decontrol of rents. In practically every instance where a city of any size has been decontrolled the following benefits to the community have been in evidence: Restoration of the historic American right of free collective bargaining between tenant and owner, large numbers of locked-up rental units have been returned to the rental market, large numbers of homes previously held for sale only have become available to tenants, rental units have been released by tenants who have purchased homes, residential construction has been accelerated as have the sales of homes, and existing rental accommodations have become rapidly more attractive because the owners have remodeled, repaired, and redecorated their facilities. These are benefits which every State and community must desire. These are but some of the benefits which have come to decontrolled American communities and the case histories of the communities in question will be used by reasonable Members of both parties in the Congress to make certain that there will be no extension of the Federal rent law beyond June. In wiring you of my conviction that an end to Federal rent controls is certain I hope that I am rendering a constructive service to you and to every other State in the Nation. Those in the Congress who feel as I do want no State or community to say in coming months that they hadn't been informed that Federal rent controls would expire on the last day of June. When President Truman requested an extension of Federal rent controls as being necessary for another year he indicated to me at least that he knew distressingly little about the history of the problem, and continues to ignore and disregard the economic facts involved. I take it to be a foregone conclusion that Mr. Truman's own party in the Congress won't support the President's demand. The time is long overdue when New York State and every other State in the Union ought to be completely accountable to their citizens for the fundamental and important issues involved in the management of their private-property-rights question. I am certain that every State will attempt to rid itself of all rent controls everywhere at the earliest possible moment. If the Federal Government is permitted to extend rent controls into our new decade those restrictions against property rights will probably remain forever. Congress is pos-

sessed of too much common sense and sense of simple justice to permit this to happen. I would urge you and your legislature to do what it thinks is right for New York State without any further dead-hand control by the Federal Government. With cordial best wishes for your happiness and success in the new year.

HARRY P. CAIN,
United States Senator.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. LANGER. Mr. President, I wish to address myself very briefly to the consideration of the bill H. R. 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

At the Democratic Convention, which I was not privileged to attend, but to whose proceedings I listened over the radio, I remember very distinctly that about 2 o'clock in the morning President Truman, in the course of his address to the convention, stated that the farmers of the United States would be guilty of ingratitude if they did not vote for the Democratic ticket nominated at the convention. He went on to say that labor likewise would be guilty of ingratitude if it did not support the Democratic ticket. Apparently the farmers of the country took the President at his word.

I have before me the official returns of the election, showing that the dairy State of Colorado cast its six electoral votes for Mr. Truman for President of the United States, because the Democrats received a majority of the votes of the State of Colorado. As one reads through the list he finds Idaho, with 4 votes in the Truman column, Iowa with 10, Minnesota with 11, Montana with 4, Ohio with 26, Utah with 4, Washington with 8, Wisconsin with 12, and Wyoming with 3. It is simply a matter of arithmetic to conclude that if we total those electoral votes, deduct them from the 383 votes the President received, and add them to the 189 Governor Dewey received, the Republicans would have won by an electoral vote of 272 to 220.

Mr. President, before I go into the merits of the oleomargarine bill itself, I wish very briefly to address myself to the broken promise made by the Democratic Party, year after year, that they were going to enforce the Sherman Antitrust Act. During the course of the debate yesterday, the distinguished Senator from Arkansas [Mr. FULBRIGHT], as shown on page 272 of the RECORD, said:

Mr. President, I should like to quote it for the Senator's information at this time. It is not very long. I read from page 64 of the report of the Federal Trade Commission on the concentration of productive facilities, 1947. This is the statement of the Federal Trade Commission.

I am simply quoting what was said yesterday by the distinguished Senator from Arkansas. He proceeded to quote from the report of the Federal Trade Commission, as follows:

"The pattern of control in the processing and marketing of dairy products is rather similar to that of the meat-packing industry. Before World War I the dairy-products in-

dustry was made up of small local units, either independently owned or under cooperative control. The contrast between the past and the present state of concentration is perhaps more striking in this field than in any other manufacturing industry.

"As the concentration curve for the industry shows, the two leading dairy corporations, National Dairy Products Corp. and the Borden Co., clearly dominate the industry, holding 27.5 and 21.4 percent, respectively, of the industry's net capital assets."

There is nothing comparable to this in the field of margarine manufacture. That is my statement. I continue to read from the report of the Federal Trade Commission:

"Thereafter the slope of the curve becomes much more gradual, with the third firm, the Carnation Co., holding 6.9 percent and five other corporations, with assets ranging from 2 to 4 percent of the industry's total, owning an additional 15.5 percent. Thus the eight largest firms control 71.3 percent of the total net capital assets of all corporations operating primarily in this field.

"Even these figures, however, substantially understate the degree of concentration affecting the ultimate consumer. This understatement stems from two factors: (a) Within the broad industry groups, concentration is frequently higher for important individual products; and (b) many of these individual products are highly perishable and can only be shipped within a limited market area, a circumstance which frequently results in a higher degree of concentration in local markets than is true of the country as a whole."

So, Mr. President, what do we have? What have the American people got after all these years of Democratic rule in this country? The great Democratic Party, which says it is for the little fellow, which accuses the Republicans of representing large corporations, has done nothing to prevent monopolies. We find the distinguished Senator from Arkansas [Mr. FULBRIGHT] quoting the Federal Trade Commission and showing the few companies which he enumerated having control of 71.3 percent of the dairy industry.

I stood upon this floor only a few months ago protesting the nomination of the leader of certain trusts to be Ambassador to Argentina. The President chose a man for that position who had raised the price of ice cream and milk to little children. The great Democratic Party brags about representing the little fellow, the poor man, but it picked the greatest monopolist of them all, a man who had organized the dairy industry which, in 1 day, in three States, grabbed all the manufacturing plants and formed them into a monopoly, and he has been nominated as Ambassador to Argentina.

I ask this question, Mr. President: Whom have the Democrats named to be general manager of all their Jefferson-Jackson Day dinners? Out of the 150,000,000 people in the United States, Mr. President, whom has the Democratic Party chosen? I shall give his name in a few moments, but before doing so I wish to make it very plain that in behalf of the American people we are dealing today with perhaps the largest trust, the largest monopoly, in the world.

I hold in my hand a copy of Fortune magazine for December 1947. I want to read the first four lines of an article entitled "The World of Unilever":

Seen from the Old World, the United States is a commercial paradise, where almost

every prospect pleases and only Tom Clark annoys. It is the one place in the world where only crackpots want to nationalize industry.

I call the attention of every Senator upon the floor to the first three lines which I have read:

Seen from the Old World, the United States is a commercial paradise, where almost every prospect pleases and only Tom Clark annoys.

At that time Tom Clark was Attorney General of the United States, Mr. President. He had brought various antitrust suits under the Sherman law. The Sherman Antitrust Act was passed in 1891. The years 1891, 1892, 1893, 1894, 1895, went by, and not a single monopolist was put in jail. 1910, 1920, and 1940 passed, yet, under an antitrust statute over 50 years old, not one monopolist was put in jail. I could forget it if the Republicans did not put anyone in jail, because the opposition has always said the Republican Party was the party of the trusts. If we go out among the people it will be found that the Democrats have given the Republicans that reputation.

But in 1932 the Democrats took over. They said they were going to protect the little fellow, the poor man. I heard, over the radio, their candidate for President say that time and time again.

Did the Democratic Party put in jail any of the monopolists who were robbing the American people? Not one. Were any monopolists put in jail in 1934? Not one. Were any of them put in jail in 1935? Not one.

In 1936 we again heard the Democrats say upon the hustings, "We are the party of the little fellow. We are here to protect the consumer."

According to the speech of the distinguished Senator from Arkansas [Mr. FULBRIGHT] yesterday, certain corporations have made one combination after another, but, as yet, none of the monopolists have been jailed.

What has the Democratic Party been doing, Mr. President? The people took them at their word in 1936, and monopolies grew and grew and no monopolist was jailed in 1936, in 1937, in 1938, or in 1939.

In 1940 there was a request for more appropriations. Representatives of the Department of Justice said they did not have enough money. So the Senate gave them practically all the money they asked for in order to carry out the antitrust statutes. What happened?

There was another election in 1940, and again and again we heard the candidate for the Presidency tell the people that the Democratic Party was the only salvation of the poor man; that it was against the wicked, terrible trusts which were supporting the Republican Party, and that if the Democratic Party was voted in, what would it not do to those trusts. But 1941 went by, and no monopolist was put in jail. The years 1942 and 1943 went by, and still the antitrust laws were not enforced.

I now come to 1944, when again the Democrats repeated upon platforms all over the Nation that they were going to

put monopolists in jail if the people would only once more entrust them with that power.

There is not a Senator on this floor who can name one man who was put in jail for a violation of the antitrust law up to 1946. Not one man was put in jail. The only one who was put in jail was Eugene Debs. He was put in jail, not in the enforcement of the Antitrust Act, but because of the violation of an injunction.

Now we come to the oleomargarine matter. As was stated by the distinguished Senator from Minnesota [Mr. HUMPHREY] yesterday, one of the greatest monopolies of all time is the one which is going to benefit in case the pending bill becomes law.

A year ago, Mr. President, when it looked as though we might repeal the tax on oleomargarine, this great monopoly, together with the Best Foods Co., who had sold one of its subsidiaries to it, and who controlled the price of oleomargarine in 3 weeks, raised the price by 23 cents a pound. If that is not true, let someone refute it. Where was this great Democratic administration then? Was anyone arrested?

One of the principal arguments at that time was that butter was too high in price. The argument was that it was so high that a poor man could not buy it. The price of butter was 70 cents, 75 cents, 80 cents, and 85 cents, up to a dollar a pound. The price of butter went up and up. They said, "We want oleomargarine." Yet, I repeat, when it looked as though the measure was going to pass and the tax would be taken off oleomargarine, three companies got control of oleomargarine all over the world. They did it almost in the twinkling of an eye, and the price of oleomargarine jumped 23 cents a pound.

Is that the way the Democratic Party protects the poor people? Is that the way the Democratic Party protects the consumer?

Only a short time ago President Truman said that the farmers would be guilty of ingratitude if they did not vote the Democratic ticket, yet today we find the Democratic Party double-crossing the dairy farmers in the States which I have named, and which voted for them. The Democratic Party is double-crossing them—for whom? Why, Mr. President, for the greatest monopoly that ever existed in the world.

Referring again to the Fortune magazine article for December, 1947, let me give Senators some idea as to how large this organization, this monopoly, is. I do not desire merely to gloss over, or not to go into detail. The Senator from Minnesota described it pretty well yesterday in his speech on the Senate floor, but I desire to go into a little greater detail, to point out exactly who will be benefited if the pending measure shall be enacted. This measure is going to hurt agriculture and the farmer. Whom is it going to help? As I have said, the Senator from Minnesota covered that pretty well yesterday when he mentioned this monopoly. Now let us go into some of the details of it.

Referring now to page 88 of Fortune magazine for December 1947, it says:

This industrial omnium-gatherum—

Referring to Unilever, this corporation, this monopoly—

is built on as homely and vital a raw material as it is possible to find—on what is known redundantly as fats and oils (an oil is a liquid fat). The fats are extracted from vegetables like peanuts and coconuts, and from animals like cows, pigs, and whales. People encounter them most commonly in butter, margarine, lard, and soap, and without them, as without grain, people obviously would have a tough time getting along. Unilever is the biggest single factor in the world supply of fats and oils, purchasing and processing more than 2,000,000 of the 5,800,000 tons of fats and oils normally finding their way into world commerce.

There we get an idea as to how big this corporation is, Mr. President. It controls 2,000,000 of the 5,800,000 tons of fats and oils in all the world. I continue reading from the article:

It makes no butter—

"It makes no butter"—

and renders little lard, but it manufactures more soap and margarine than any other company—about two-thirds of the soap used in the British Empire, and about 12 percent of world consumption; about 75 percent of the margarine eaten in Europe and about 40 percent of world consumption (outside Russia). Even in 1946, with supplies far short of prewar and rationed almost everywhere, Unilever turned out 750,000 tons of soap and 560,000 tons of margarine, for which it received the equivalent of \$445,000,000. In crushing palm kernels, copra, peanuts, and other oil-bearing raw materials, it was left with 1,256,000 tons of residues, which it sold as cattle feed for the equivalent of about \$67,000,000. It also processed and sold nearly 600,000 tons of oils to other manufacturers and the Government for \$144,000,000. Despite its dominant position in the empire and on the Continent, Unilever feels compelled to promote and advertise its products as no others in the industrial canon are promoted. It was before the war, one of the world's biggest advertisers, spending almost \$50,000,000 to sell products like Stork and Blue Band margarine, and Lux, Lifebuoy, Rinso, Persil, and Sunlight soap.

But the basic fat and oil products account for only 60 percent of the company's turn-over. Unilever also does at least a \$25,000,000 business in canned goods, of which some \$12,000,000 is in canned peas. Before the war it sold more than \$7,500,000 worth of Wall's ice cream (in Britain), most of it through white-clad vendors on tricycles bearing the legend "Stop me and buy one." It owns MacFisheries, Ltd., of Britain, the world's largest chain of fish stores (356), which last year sold about \$35,000,000 worth of fish and game. Besides dozens of other products, it sells more than \$35,000,000 worth of toothpaste (Pepsodent and Solidox) and perfumes and cosmetics. It owned paper and textile mills in Germany, and is half owner of Thames Board Mills, the U. K.'s largest paperboard maker.

Now I shall take this company to Africa, Mr. President, to Africa, where 20 cents a day is paid for labor. We find Senators on this floor saying they are for the pending bill, but we do not find the CIO or the A. F. of L. here fighting for the farmers. They are not lifting a hand. So far as American farmers are concerned, they are abandoned by labor.

Some of us who come from the dairy States find that we have been unable to get any support of any kind from labor in this fight. Perhaps some of the labor leaders are here, within the sound of my voice. The time will come when labor will need the farmer again, and while I will not say it will be refreshing, at least one will have the satisfaction of saying, "When our backs were to the wall, where was labor?"

So I want to take this company over to Africa, where 20 cents a day is paid to a laboring man to compete with the farmers of the United States engaged in the dairy business.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I know the Senator from North Dakota, with his demonstrated friendship for the workingmen of this country, would like to know that at least one section of the American Federation of Labor has been in support of the Wiley-Gillette substitute. Men and women working in the creameries, those who drive the milk wagons, trucks, and so on, have, through their labor organizations, supported the substitute. The branch of the American Federation of Labor known as the teamsters' union, and other American Federation of Labor unions have supported us in this fight against the monopoly the Senator is so well describing, and against this kind of what we might very well call attack upon small business enterprises. I simply bring that to the Senator's attention so that the record may be clear.

Mr. LANGER. I thank the distinguished Senator from Minnesota. I am delighted that Dan Tobin of the teamsters' union, and his union, and other A. F. of L. unions are with us in this fight. I am delighted to have the RECORD show that fact.

Let us now go over to Africa, where this monopoly also operates. I quote from Fortune magazine of December 1947:

Unilever's most extraordinary excursion into other fields arises from its quest for raw materials. The United Africa Co., a huge wholly owned subsidiary that accounts for just about a quarter of its consolidated sales, not only grows oil palms and buys raw materials of all kinds from the natives of west Africa and the Congo, it sells everything salable to them. It is, as a matter of fact, the world's largest trading company. An article in a later issue will be devoted to its chromatic activities; suffice to say here that through U. A. C. the Unilever organization finds itself right in the middle of one of the world's most explosive race situations—besides running one of the largest General Motors overseas distributorships, a shirt factory, a full-sized steamship company, and one of the biggest stores in Istanbul.

Mr. President, I have a definition of this company given by the London Economist. This is what the London Economist says about the monopoly which is trying to force the farmers of the United States out of the dairy business:

The Unilever combine and communism—

These are not my words, Mr. President. These are the words of the London Econ-

omist, one of the most conservative newspapers in England.

The Unilever combine and communism have not a few points of similarity—in a strictly business sense. That combine is governed by committees enumerable. It controls the working life of the vegetable-oil industries almost as completely as the Soviet monopolizes the working life of the Russian people. It embraces every activity from the production of the raw materials to the retail selling of finished product. And, curiously enough, both Soviet and Unilever catch whales in the Antarctic. For the investor and economist, however, the significant feature is that the more enlightened and efficient Unilever and the Soviet become the more difficult it is to investigate their operations and to analyze their accounts.

Mr. President, is it not strange that even a United States Senator cannot find out what companies are included in this merger? I tried and tried; I went to every source possible in Washington, and I was unable to find anywhere, in any book, a list of the various companies that are amalgamated and affiliated, which are subsidiaries of this giant monopoly. I received some 45 names.

A few months ago I placed in the RECORD the report of the death of the president of this company, who died in Minneapolis, Minn., while there on a visit. In the Minneapolis newspapers appeared an obituary. The obituary contained the statement that he was the president of 613 companies, different corporations, and that they were doing business in 40 different countries.

Mr. President, who have the Democrats chosen to be chairman of the Jefferson-Jackson Day dinners? I will tell the Senate in a moment. The Democratic Party, which says it is for the little people, has chosen to handle the Jefferson-Jackson Day dinners a man whose name I shall give in a moment. I shall show how the Democratic Party picked him out of 150,000,000 people. The party which says it is against trusts and against monopolies has chosen for this purpose a man who heads a great monopoly.

I read again the quotation from the London Economist:

The Unilever combine and communism have not a few points of similarity—in a strictly business sense. The combine is governed by committees innumerable. It controls the working life of the vegetable-oil industries almost as completely as the Soviet monopolizes the working life of the Russian people. It embraces every activity from the production of the raw materials to the retail selling of finished goods. And, curiously enough, both Soviet and Unilever catch whales in the Antarctic. For the investor and economist, however, the significant feature is that the more enlightened and efficient Unilever and the Soviet become, the more difficult it is to investigate their operations and to analyze their accounts.

Mr. Plummer, in his book, International Combines in Modern Industry, has this to say:

The truth of the last sentence becomes patent when we try to trace the combine's ramifications through to the subsidiaries. In England, for instance, Unilever, Ltd., controls English Margarine Works, Ltd., and the British section of the Van den Bergh undertaking, through which it controls Meadow Dairy Co., Ltd., which in turn controls

Pearks Dairies, Sherry's Dairies, Brough's Tea, Ltd., and Neale's Tea Stores. Unilever, Ltd., also holds a substantial interest in Home and Colonial Stores, Ltd., through which it is linked with Allied Stores, Ltd., Liptons, Ltd., and Maypole Dairy Co., Ltd., and, through the latter, with Maypole Margarine Works, Palmine, Ltd., and British Oil Works. This is but a sketch of the combine's English interests, and it is no more than a corner of the whole vast area of its ramifications, for it controls the major part of the margarine industry of Europe, and had interests in oil-crushing and refining factories and allied industries, with their distributing organizations, in Britain, Holland, France, Belgium, Germany, Norway, Sweden, Denmark, Italy, and the Dutch Indies.

Here we have a man heading a great monopoly chosen by the Democrats, who love the common people, to manage the Jefferson-Jackson Day dinners this year. I will give his name in a moment. I continue to read from Mr. Plummer's book:

The combine's west African interests are in the care of the United Africa Co., Ltd., in which the combine holds 80 percent of the share capital and a dominant proportion of the voting power. Moreover, the United Africa Co. holds, directly or indirectly, controlling interests in no fewer than 66 companies carrying on operations in different parts of the world.

Altogether there are now 616 companies controlled by this combine. At the time its president died the combine controlled 613 companies, and 3 more have been added since. Since I made my last speech on the subject 3 more companies have been included, making the total 616.

Alfred Plummer in his book entitled "International Combines in Modern History," published by the Pitman Publishing Co., New York City, 1938, had this further to say:

As an example of a great international trust recently in the public eye we may cite Unilever, Ltd., which was registered in November 1927 as Margarine Union, Ltd., and having acquired all the ordinary share capital (£6,500,000) of Lever Bros., Ltd., it changed its name to Unilever, Ltd., in September 1929. This combine includes Van den Berghs, Ltd., the well-known dealers in margarine and similar products, incorporated in 1895, with a capital of over £3,000,000. For many years there was stiff competition between Van den Berghs, Ltd., and Anton Jurgens & Co., a Dutch firm, and in 1908 the competitors thought that it would be to their mutual advantage to enter into an agreement for sharing profits. Accordingly, over a period of years three pooling agreements were entered into. The first agreement, dated February 13, 1908, contained many complicated provisions, but broadly its effect was that each company acquired an interest in the profits of the other. There was a supplemental agreement in 1913 whereby it was agreed that subject to certain modifications the principal agreement of 1908 should continue in force until the end of 1940. After the settlement of a complicated dispute arising out of these agreements, the members of the Van den Bergh and Jurgens families decided to consolidate their interests by forming a Dutch holding company and an English holding company.

Mr. President, it was only a few years ago when, under a Democratic President, the SEC bill was passed, and holding companies apparently were outlawed forever. Yet today whom do we find the Democratic Party taking to its bosom? Who is going to be the general manager,

all over the Nation, of the Jackson-Jefferson Day dinners? Wait a little, Mr. President, and I will tell you. Who of the 157,000,000 people in the United States has the Democratic Party picked?

The report further states that—

In association with the Dutch—

They have now formed a Dutch holding company and an English holding company. They were not satisfied with one holding company; they organized two.

In association with the Dutch sister concern, Unilever N. V., Unilever Ltd., now controls not only the Jurgens and Van den Bergh groups of companies, but also the Schlicht and Hartog concerns, both of which manufacture soap and margarine, the former mainly in central and eastern Europe, and the latter in Holland. In 1931, two additional companies were formed under the names of Unilever (Raw Materials), Ltd., and Unilever Grondstoffen Maatschappij N. V., in order to facilitate the buying, holding, and administration of stocks for the English and Dutch groups of companies, respectively. This colossal international combine now includes over 600 companies—

Namely, 616 companies, in 40 different countries.

I read further:

supreme twin holding companies (Unilever Ltd. and Unilever N. V.) are kept separate not only for organizational reasons but also in order to avoid the costs and complications of double taxation. But the real nerve centers are to be found in the interlocking directorates of two private companies, each of which controls 50 percent of the voting power in Unilever Ltd. and Unilever N. V.; so that the British and Dutch interests jointly control both. The whole vast organization is divided into a number of groups of companies. There are separate directors and managers for each group, and a small number of directors whose special function is to keep constantly in touch with the group executives so as to maintain uniformity of policy.

So the entire 616 companies will have the same kind of policy, which, of course, is robbing the common people along the same lines all the time.

Referring again to the article which appeared in *Fortune* magazine, I wish to say that on page 90 appears the picture of the man selected by the Democratic Party to be the general manager for its Jackson-Jefferson Day dinners. But I do not wish to give his name yet. In a moment I will tell the distinguished gentleman on the other side of the aisle who he is. But I assure you, Mr. President, that every farmer who tried to make a living when this man was appointed to a responsible position a few years ago by the President, knows, to his sorrow, who he is.

I shall read further from the *Fortune* article. When this monopoly got to work and started out, it did a great deal of advertising, promoting, and competing. The article states:

Advertising, promoting, and competing, Lever expanded rapidly, and he made soap a mass-produced item by the simple device of selling it as a specialty. In 1888 he started a huge soap factory and model worker's village in a dreary marsh across the Mersey River from Liverpool, and called it Port Sunlight. It is still the world's largest soap factory, and is served by the world's largest privately owned dock. He flooded England with Sunlight, sent it overseas, and was soon

manufacturing it all over the world, in Switzerland, Australia, Canada, Belgium, France, the Netherlands, the United States, and Germany. To secure his raw-material supply he picked up 200,000 acres of land in the British Solomons, on which he proposed to plant coconut trees, and got a 1,875,000-acre concession in the Congo for growing oil palm trees, where he built houses, schools, and hospitals for the natives.

But like most born competitors of his time, Lever turned out to be a born monopolist. The older he grew, the less he slept, the more he saw, the more he wanted, and the more he bought. In 1906 he promoted an amalgamation of the leading soap makers, but it was attacked furiously by some of the press, which printed evidence of fraudulent trading and other malpractices.

Mr. President, the article is too long to read in full or even to have printed in full in the *RECORD*; but I have picked out the most pertinent parts of it. The following appears on page 204:

Besides getting into the British margarine business (margarine had been imported mostly from the Netherlands, so during World War I the Government asked him to make it) he founded the MacFisheries firm, bought a whaling company and built it up, and acquired a half dozen leading British soap, soap flake, chemical, oil cake, and candle companies. Among them was the eminent Joseph Crosfield & Sons, Ltd., makers of soaps and chemicals, which had been the first (in 1906) to hydrogenate hitherto distasteful fats like whale oil and render them first rate for any use. By 1920—

Thirty years ago—

he had gathered unto him more than 75 percent of the British soap business.

So, Mr. President, away back in 1920 he was doing three-quarters of all the soap business in England.

Now I read from page 207:

The story of margarine, man's most successful attempt to compete with the cow, is mostly the story of Margarine Unie's predecessors.

Mr. President, perhaps most of us realize that if we go out on the street and talk to the people we meet there, we find that today the average man does not know where oleomargarine comes from or what it is made of. Of course, those who want to cram it down the throats of the American people leave off the word "oleo," and just call it margarine, because margarine sounds better; it sounds something like "Marge-jorie" a girl's name. So the producers of oleomargarine like to call it margarine, and leave off the word "oleo."

But I wish to state exactly how it came about that we ever had such a thing as margarine or oleomargarine in the first place. I read further from the article appearing in *Fortune* magazine:

The story goes back to the middle 1800's and the little town of Osch (later Oss) in the kingdom of the Netherlands, where there flourished two friendly rivals, butter exporters. They made their living buying surplus butter all over the Continent, refreshing it by a simple churning process, and exporting the revived product. One of the firms belonged to Anton Jurgens and his sons, Jan, Arnold, and Henry, devout Catholics; the other to Simon Van den Bergh, a pious, kind, philoprogenitive Jew who, when he got rich, spent great sums in helping refugees from the Russian pogroms flee to America.

Then, in 1870, came the Franco-Prussian War, which caught France short, among other things, of butter. But Napoleon III had anticipated the shortage, and before the war had commissioned a chemist named Mège-Mouriez to experiment on a substitute. Mège-Mouriez wisely studied the cow. He noticed that unfed cows continued for days to deliver milk rich in butterfat but lost their animal fat in the process. He naturally concluded that the butterfat in the milk had been derived from the cow's fat, and verified his conclusion by pressing caul fat (from around the heart) with milk, and so making an artificial butter. For good measure, he invented the name "margarine" to describe this butter.

Jan Jurgens heard about the process while in France and immediately got the rights to manufacture margarine. At this point the narrative can be taken up by an extract from the Van den Berghs touching little family history.

Mr. President, I need not go into all the family history, but the article states what bitter rivals those two men became, after they had been friends almost from childhood.

Later on in the article we find this quotation from a newspaper headline: "Margarine king dead."

The Dutchman had died in 1907. In other words, the heads of those two families had been fighting each other, but in 1907 one of them died.

After that, Simon's sons commanded the fight against the Jurgens. But the Jurgens were led by Henry's son, Anton, the strongest and ablest of the bunch—a sharp-faced, shrewd little man with an overpowering ambition to run the whole margarine industry. Remembering that William Lever had come to the Netherlands and had tried to sell Uncle Jan on the brand idea (Jan had called Lever a fanatic), Anton had taken a leaf from Lever and pioneered branded margarine. He also had been bitten by the monopoly bug—

As was so well described yesterday by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Then we find this:

At first he didn't get very far, but about the time of the depression of 1907 competition got so ferocious and duplication of facilities so flagrant that a profit-pooling arrangement was concluded.

So instead of dividing the stock and the control, they made an agreement to divide the profits 50-50.

Mr. President, I ask unanimous consent to have printed at this point in my remarks page 213, beginning with the words "mostly because of this decline," and continuing to the end of the paragraph on page 214.

There being no objection, the extract was ordered to be printed in the *RECORD*, as follows:

Mostly because of this decline, the directors decided to redistribute the assets of the two holding companies so that the British and the Dutch sides of the business would be more nearly equal in volume and profits. This seemingly odd decision goes back to the days of Margarine Union and Margarine Unie, which were tied together by a unique equalization agreement designed to get the benefits of consolidation without incurring the penalties of double taxation. Under the agreement the companies had identical boards and their stockholders had equal rights, and each was bound to help pay the preference dividends of the other, if need

arose, and to pay the same dividend on its common. When the Unilever companies replaced the Margarine companies, the agreement remained in force. In 1937, what with falling Dutch profits and no prospect of getting anything out of Germany, it looked as if the English company's dividends would be held down by the imbalance in earning power. So the assets were distributed by giving nearly everything outside the British Empire, including the prosperous American company, to the N. V. side of the business and leaving the rest with the British side. At the same time, Lever Bros. was completely merged with Unilever Ltd., and the names of the two great holding companies were changed to Lever Bros. & Unilever, Ltd., and Lever Bros. & Unilever N. V. If it had not been for the double taxation, to repeat, the two originally would have been consolidated into one, and the question of redistributing the assets would of course never have arisen.

How American profits helped shore up the N. V. side of the combination—remember, Germany's profits were blocked—may be deduced from the following estimate of Unilever's 1937 sales and profits by countries.

Lever Bros. & Unilever Ltd.

[All figures in millions of pounds]

	Sales	Profit
Great Britain.....	55.0	5.6
Soap.....	15.0	
Oil cake.....	15.0	
Margarine.....	8.0	
Mac Fisheries.....	8.0	
Paperboard.....	3.0	
Foods, glycerin, etc.....	6.0	
Empire.....	47.0	1.6
Africa.....	40.0	
Australia.....	3.0	
Canada.....	1.5	
India.....	1.5	
South Africa.....	1.0	
Total.....	102.0	8.7

Lever Bros. & Unilever N. V.

[All figures in millions of pounds]

	Sales	Profit
Germany.....	35	1.8
United States of America.....	15	1.3
The Netherlands.....	15	.9
France.....	5	
Belgium.....	4	
Scandinavia.....	4	
Eastern Europe.....	4	
Switzerland.....	2	
Philippines.....	2	
Others.....	3	
Total.....	89	4.0

The war changed these proportions radically, and put N. V. in an even worse position. The Continent faded out of the picture, and Germany, Austria, and the countries east of the Stettin-Trieste line are still excluded from the accounts. The United States now earns practically all N. V.'s profits. Yet total turn-over for 1946, excluding intracompany transactions, was around £270,000,000, or £80,000,000 more than the combined gross shown above, and total profits were £12,000,000, or hardly below the 1937 figure. What happened, as the Continent passed out, was that business in Britain, the United States, and in the domain of United Africa Co. expanded by more than enough to compensate for European declines. United Africa proved to be the star performer, almost doubling its 1937 turn-over and profits. Despite rationing and short supplies, the British and American companies more than held their own, partly because of an acquisition program designed to compensate for the loss of Germany. The United States company bought Pepsodent; and N. V.'s Lipton Tea Co., tea blenders in the

United States, went in heavily for dehydrated soups. The British company got the right to manufacture and distribute Birds Eye frosted foods outside the United States, and purchased Batchelor's of Sheffield, world's biggest pea processors and canners. And last year Smethurst Ltd., fish curers of Grimsby, came into the fold.

Mr. LANGER. When Fortune magazine started to write up the monopoly, its editors apparently thought they could do it all in one article. Before they finished, they found it required three editions of Fortune. They treated it serially, as a continuing story. We turn now to Fortune for January 1948. A little while ago I made the statement that all the laborers in Africa were paid was 20 cents a day. I call attention to page 62, where, as a part of the article, there are pictures showing the laborers doing various kinds of work, under which is this note:

West African labor is poorly paid because as a whole it is very unproductive. The eighty men hauling the logs, for example, get so little—20 cents a day—that they are almost as cheap as a tractor, which is still unavailable.

Mr. President, I ask unanimous consent that this entire article, dealing with the monopoly, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNILEVER'S AFRICA—LEVER BROS.' UNITED AFRICA CO. IS THE WORLD'S LARGEST TRADING COMPANY—THOUSANDS OF NATIVES PROFIT FROM IT BUT THOUSANDS MORE DISLIKE AND FEAR IT

Promptly at 7 a. m., almost as if he had been set off by the strokes of the ship's bells mounted on the wharves below, Cecil Humphrey, manager of the United Africa Co. trading station at Opobo, Nigeria, puts down his cup of tea, dons his white pith helmet, and strides along the palm-bordered graveled walk leading from his house, down the stone stairs to the Dayspring wharf. It looks as if it would be a busy morning. Up river to the left and out of sight around the bend, the yellow tide is dotted with native dugout canoes, their paddles glittering in a bit of sunshine that has managed to slip through the sodden, lowering clouds. Dozens of traders are already unloading their valuable cargoes of palm oil and palm kernels. Among them is L'Nemchaku, one of the great middlemen of the Ibo tribe, dressed in gold and white like a prophet, and bringing 14 puncheons containing 9 tons of oil worth in all nearly £250; and Mercy Peppie, one of the oldest female traders on the coast, dancing around and chattering, offering a few hundredweight of palm kernels.

Mr. Humphrey's corps of African helpers are already on the job—sampling and grading the kernels with a terrific swagger and flourish, unloading and rolling the puncheons into the storerooms with a straining and groaning and chanting as if each barrel were heavy as a steam roller. There is, however, none of the old struggling and screaming about prices. These are still fixed by the government, and all Mr. Humphrey does is initial the chits for payment after carefully checking them against the produce—£100 for this trader, £8 for that one, £75 10s 5d for the other.

Within the hour a big part of this payment, which can total as much as 40,000 shillings (natives dislike folding money), will be rolling back into Mr. Humphrey's till. For on each wharf is a store belonging to the United Africa Co., or one of its subsidiaries like Miller Bros. or African & Eastern

whose names are preserved because some traders long ago pinned their loyalty to them. But here again is no bargaining palaver, no wrangling among the stores for the traders' custom. Nearly all the stores are owned by UAC, prices are controlled, and the stocks of flamboyant cottons, cigarettes, salt, and so on, are so low that everything not reserved for favored traders is snapped up at once. The West African describes a superior object as "fine pass" this or that, and the finest of all as "fine pass kerosene." "Fine pass kerosene," duly says the clerk, displaying a dubious roll of United States-made shirting. "Everything fine pass kerosene today," comments the trader mournfully. And in terms of price and scarcity, everything is. Last year Mr. Humphrey bought upward of £200,000 worth of palm oil and palm kernels, and one of the major sorrows of his life is that he couldn't sell as many pounds' worth of merchandise because it wasn't there.

TRADING ON THE GRAND SCALE

Compressed into a single instance and oversimplified, this is the current success story of the United Africa Co., Ltd., the biggest enterprise in all Africa, the world's largest trading company—and a wholly owned subsidiary of the Anglo-Dutch Lever Bros. and Unilever combine, whose history was recorded in last month's Fortune. The basic operation at Opobo, one of the last of the old-time river stations, is repeated, on both smaller and larger scale, all over central and west Africa—up at Kano, 700 miles north, the world's greatest groundnut (peanut) market, capital of the Hausa Tribe, the largest and most ancient Mohammedan city west of Istanbul, where the howl of the muezzins wakes you at daybreak every morning; over at Ibadan, the largest and most "modern" city of Nigeria, where nearly half a million people spawn and trade under an ocean of galvanized-iron roofs. Last year UAC bought nearly \$115,000,000 worth of African produce from natives and their middlemen, raised \$6,000,000 worth of oil on its plantations in West Africa and the Congo; took in some \$8,000,000 from its 518 craft on the Niger and the Congo and from its wholly owned line, which operates a 15-ship, 120,000-ton fleet between the United Kingdom and West Africa. On the other side of the ledger, it sold nearly \$145,000,000 worth of merchandise, mostly in West Africa and the Congo. (For an account of the odds and ends of its operations see the note on page 132.)

All this amounts to nearly \$300,000,000 worth of business—about 45 percent of the produce buying and 30 percent of the merchandise sales in all West Africa, and nearly as much in the Congo.¹ This great territory stretches more than 3,000 miles from the hump of West Africa in Senegal through the Congo to East Africa. It includes British, Belgian, French, Portuguese, and Spanish colonies, which have different customs and degrees of development but are alike in that they are more than 99 percent native and more than 99 percent illiterate. Its area is roughly equal to that of the United States, and its population is some 50,000,000. UAC's great strength and two-thirds of its business lie in the Gold Coast and Nigeria, the latter now the largest country (23,000,000 approximately) under the British Colonial Office, where it alone does 60 percent of the buying and nearly half the merchandise sales. Eight other relatively small European companies, with which it is on the best of terms, do the bulk of the rest. Wherever you go in this region—the size of Germany, France, and Italy combined—UAC is supreme. Its stores and warehouses seem to take up half the town, its trading posts cover

¹ Besides those under UAC's jurisdiction, Unilever's African interests include soap and margarine factories and food-processing companies in South Africa, the Rhodesias, Nyasaland, and West Africa.

the bush, its managers' houses are the finest, and its managers' "chop" (African for food) the best. "UAC be government," say the natives, logically identifying the most important and powerful organization in the land with the official manifestation of power.

UAC of course is not the government. It is simply in the position of doing a large part of of the business there and maintaining commercial relations, free of antitrust legislation, with the rest. UAC is disliked by the people. It is disliked and feared all the more because the people can't do much about it, because their whole economic present and future seem bound to it—and because they are black and largely primitive and prone to distrust and dislike even the most uncommercial Europeans.

FROM COMPETITION TO COMBINATION

It took a long while to achieve this uncomfortable eminence, but in some ways it surely would have pleased the man who started it all. He was the extraordinary William Hesketh Lever, the Viscount Leverhulme, of the Western Isles, founder of Lever Bros., who about the turn of the century was driving toward the domination of the British soap industry. Tropical oils were already being refined and used instead of tallow for both soap and margarine, and the monopoly-minded Lever wanted to be sure of his raw materials. Having bought 200,000 acres and planted 17,000 acres of coconut palms in the Solomons, he turned his attention to Africa, whose principal oils were and are palm oil and palm-kernel oil, squeezed from the fruit of the oil-palm tree. This fruit, growing in huge clusters, somewhat resembles tiny, 3-inch coconuts. The farmers shin up the tall trees, pick the fruit by hand, and extract oil from the pericarp by stewing it and squeezing it in a crude press. And in their spare time their women crack the nuts, whose kernels are nearly always exported and pressed abroad.

This method not only wastes time and oil but produces a low-grade oil with a high free-fatty-acid content; and at the outset Lever, who certainly had what Americans used to call vision, wanted to mechanize the process of decortication and expressing the palm oil, and to grow the palms on plantations, where the yield and quality per tree could be more than doubled. When Lever tried to do business, however, he banged up against British protectorate policy, forbidding Europeans to buy Nigerian land or even lease it for long terms. This idealistic policy was and is based on preserving native land-tenure laws and on the concept of trusteeship, of saving Africa for the Africans and letting their wants determine their development; and although the arguments against it have increased in cogency with time, Parliament and the colonial office, determined to protect the natives against the soap boilers of the world, have clung to it.

Lever stormed and raved, but all he could do was buy a small trading company, put up an experimental kernel-crushing mill, and stamp off to the Belgian Congo. This land, whose moral atmosphere was so magnificently rendered in Joseph Conrad's *Heart of Darkness*, was just then struggling out from under Leopold II's atrocious exploitation. The Belgian authorities, looking for a new enlightened system, gave Lever a cordial reception. In 1911 he founded the Huilleries du Congo Belge, with a concession to develop 1,875,000 acres provided he paid agreed minimum wages, established schools, hospitals, etc. Today Huilleries du Congo Belge has nearly all its acreage in oil palms, 80,000 on a plantation basis, employs upwards of 40,000 natives, and produced 37,000 tons of oil and 16,000 tons of kernels last year. Although it technically stems from Huilever, a Belgian subsidiary of Unilever, it is really part of UAC.

In 1920, not long after he had publicly denounced the Nigerian Government for its bureaucratic, highhanded methods, Lever tried again to establish plantations in British West Africa. The Governor of Nigeria, Sir Hugh Clifford, invited him to dinner at Government House in Lagos. The blunt, importunate Lever argued his case violently, while Sir Hugh replied firmly and with some annoyance that the fundamental doctrine of the system of developing agricultural resources through the agency of indigenous inhabitants was the only justification for British rule in tropical countries. The argument got to the point where they would have exchanged blows had they been anything but British. The next day Lever invited Sir Hugh to dine with him on his yacht, the *Albion*. Sir Hugh declined. "My duty compels me to be hospitable to you," he explained, "but it does not compel me to accept your hospitality."

But Lever was already embarked on a move that was eventually to get him what he wanted. At this time two large outfits did the bulk of the trading. One was the Royal Niger Co., which had operated under a royal charter empowering it to maintain the peace. It achieved a virtual commercial monopoly, but the charter was repealed in 1900, when the government decided to do the governing. Nineteen years later a company called the African & Eastern, a new combination of several small firms, emerged as the Niger's chief rival; and in the boom times toward the end of World War I, A. & E. was as big as Niger. The two became fiercely competitive as only tropical traders can become. Lever thought such competition idiotic, and itched to buy and merge them. Since raw materials were at the highest prices in history, he was prepared to pay appropriately for the companies: £8,500,000 or five and a half times the par value of its shares for the Niger Co., and a complex but costly bid for A. & E. The Niger purchase went through, but the A. & E. deal hung up on litigation. Meantime the bottom fell out of the market, and Lever was probably lucky it did. The beating he took on Niger badly bent Lever Bros., and the loss he would have taken on A. & E. might have broken it.

As it was, the two companies almost competed themselves broke in the early 1920's. They had overextended before and during the war, duplicating stores, warehouses, and trading stations, and were now overpaying traders and brokers. The general unprofitableness of the operation was aggravated by the fact that trading could not be tightly controlled by the home office. Gone were the old days of the palm-oil ruffians, when a shipload of assorted junk, mostly empty gin bottles, was enough to make a man's fortune. Not yet gone were the old and romantic characters like A. C. Butler, the palm-oil king of Opobo, with his enormous and picturesque library and gargantuan palm-oil chops. The palm-oil chop, still the Saturday dish of traders, consists of chicken, prawns, and almost any other available meat or fish cooked in fresh red palm oil and served on rice and fu-fu (mashed yams). Butler and his chieftain friends, sluicing down the gory-looking chop with a bottle of gin apiece, would eat and drink themselves asleep, and part of Butler's special fame derived from his ability to rise early next morning and gorge himself on the remains of the feast. Not yet gone, either, were the days when company-employed traders worked their own little game on the side, buying palm kernels when the price was low and not entering the purchase on the books until the price reached its peak. And by no means gone were the competitive days when a trader used every trick and strategy ever heard of to take business away from another trader.

By 1929, A. & E. was in the hands of the bankers, who brought in Sir Robert Waley

Cohen, head of Shell Oil, to run it. One of the first things Sir Robert did was to pick up where Lever had left off and make a deal with Niger to combine on a 50-50 basis. The result was UAC. Not even the combined company could stand the depression, however. It lost millions, had to be written down from £15,700,000 to £11,000,000, and passed almost entirely into the hands of the Unilever interests when A. & E. could not meet its bankers' demands for money. But in 1931 UAC began a housecleaning that is still talked about with awe in the jungles of Nigeria and along the reaches of the Congo. Down to Africa sailed two directors, who then proceeded to reduce the number of stores and the staff of both the west African operation and Huilever's SEDEC (Société Anonyme d'Enterprises Commerciales du Congo Belge) by no less than 60 percent. The operation temporarily killed the company's morale, but it revived its financial standing. By 1933, UAC was in the black again.

One of the three managing directors at that time was a shrewd, intense young man named Frank Samuel, who at 21 had gone into the family musical-instrument business in London. He invented the first portable gramophone, which he called the Decca, for no particular reason except that the name sounded good, and shortly set up the Decca Gramophone Co. Convinced that radio had ruined the phonograph, he sold out the company to its present owners for £450,000, made a trip around the world, and looked for something to do. His friend, Sir Robert Waley Cohen, asked him to take a whack at merchandising with UAC. Mr. Samuel took a whack and was at the point of giving up when he decided to go to Africa and have a look for himself.

There he changed his mind so effectively that in 1931 he was appointed a director, and early in the war, when the other two directors went into government service, he took over. Some idea of the importance Unilever attaches to its biggest subsidiary may be derived from the management set-up of UAC. Chairman is the famous Viscount Trenchard, marshal of the Royal Air Force, Chief of Staff of the British Air Staff from 1918 to 1929, who fought for 7 years in Nigeria at the beginning of the century and knows the country well. He has been chairman since 1936. The rest of the board consists of 15 members, including, besides Mr. Samuel, 4 other members of the Unilever board: Geoffrey Heyworth and Paul Rykens, chairmen of the parent companies, Sir Herbert Davis, and R. H. Muir. No other Unilever subsidiary has such a team at its head or is so closely integrated with the parent board.

EVERY PRICE HAS ITS COSTS

In the last few years UAC has achieved what no company in Africa has enjoyed since the days of the Royal Niger—stability in both buying and selling, an almost complete hegemony of the field; and the irony in the fact that the wartime controls of the government have helped the company to its unprecedented heights is surely not lost on Mr. Samuel, whose devotion to success is complemented by a sardonic sense of humor. And UAC is successful. Last year profits, after taxes, were somewhat more than \$10,000,000, or nearly a quarter of Unilever's consolidated profits, or about 4 percent on UAC's sales and 18 percent on its original capitalization.

What this success means will become clear after we consider the nature of UAC's business, its relation to Unilever, and the normal conditions under which it works. Its activities sound simple. Its primary function is to get tropical produce and sell it in the world market (it never buys directly for Unilever), and it naturally would like to see

a comfortable spread between the price it pays and the price it sells for. In the early days a trading company kept native prices low by offering the cheapest possible merchandise for the biggest possible amount of produce. Manhattan Island, remember, was bought for \$24. But after the transaction became monetized a strange complication set in. As soon as the native got money to spend, and got it from sources other than the traders, the companies found themselves developing merchandising organizations whose prosperity depended on the native's having money to spend—which he did not have when prices were ruinously low. And experience showed that trading companies almost invariably made more money when prices were high than when they were low, and made more money on merchandising. World prices that were too low to cover transportation costs to Europe would mean no business for anybody.

This logic may seem to place Mr. Samuel in an odd, not to say dichotomous, position. As UAC's managing director, charged with making it profitable, he should prefer high world prices. But as a director of UAC's parent, Lever Bros. and Unilever, which buys colossal amounts of fats and oils and converts them into soap and cooking fats and margarine, he should prefer low world prices. It would be easy to conclude that Mr. Samuel is beaten down by the rest of the Unilever board, which theoretically should sweat to drive produce prices as low as possible. As a matter of fact, prices fluctuate regardless of the wishes of Mr. Samuel or Unilever; and it is more valid to conclude that Unilever is more interested in the prosperity of the trading business as owner and buyer than only as a buyer. This is just another way of saying that the Unilever-UAC vertical combine, like most vertical combines, results almost automatically in a corporate urge to balance prices and costs so that each of the company's components turns a profit; and the key to the balance is stable prices. One can believe Geoffrey Heyworth, chairman of Unilever, when he says: "We run our business positively, keep it healthy and growing, and let the chips fall where they may."

So Mr. Samuel is certainly in no danger of going schizoid. He would like to see produce prices comfortably higher—high enough at any rate to keep the produce coming steadily to market. On the other hand, he naturally aims to drive as hard a bargain as he can for the money the native has to spend. To the native chief who remembers fondly only the feast of the feast-or-famine days of competitive buying and selling, such stability seems like a big squeeze play by the trading companies, by the civilized world on the primitive areas, by the white race on the black race.

One reason trading companies in the Tropics formerly competed so savagely was that they had relatively high overhead costs. There are only some 1,125 UAC European employees in West Africa and the Congo, but Europeans in the Tropics are expensive animals. The company provides them with houses and "boys"—its total investment in houses runs into millions—and grants them a month's leave for every 5 months on tour, with round-trip fare to London or Brussels. A few older men are still on a bonus basis, the bonus varying with profits and amounting to as much as twice the salary, but this has been largely supplanted by a pension scheme enabling a man to retire at 53 on half salary—not too early nor too much for anyone who has steamed out the best years of his life in the Tropics, fighting dysentery, consorting with the same bores day after day, swallowing pounds of quinine or atabrine in a futile attempt to fend off malaria, and giving up his children (if he has any) for a dozen years or more because the Tropics are bad for them and there are no schools there anyway. While salaries are not

high by American standards—only a few managers make more than \$10,000 a year—they are high by colonial standards, and personnel costs impose a fixed burden that can be absorbed successfully only with great volume. Competition, of course, was worst when times were tough and volume hard to come by, and a native would walk 25 miles to save threepence. And the worst competition was provided not by the European companies but by price-cutting Syrians, Lebanese, and Greeks, who slept behind their shop counters, and did not have to worry about houses, bonuses, retirement pensions, district managers, or area supervisors.

SWARMS OF MIDDLEMEN

UAC's chief purchases, in the order named, are palm oil and palm kernels, cocoa, groundnuts, and hides, and it harvests and saws timber. Most of the cocoa comes from the Gold Coast, and most of the rest from Nigeria and the Congo. The company buys this produce in 1,771 stations, some doing a business of \$5,000,000 or more a year, others consisting of a native employee or concessionaire on a commission basis, with a stock of matches, cigarettes, soap, tin pans, and plain and printed cotton goods under a little tin-roofed shack of a store.

All these stations, however, are not anywhere near enough to contact the so-called farmers out in the depths of the bush. Native farming consists mainly of climbing oil-palm trees and picking the fruit, knocking pods off cocoa trees at the right time, and cultivating patches of groundnuts; and even when the farmer has enough wives to do the work, he rarely pursues his calling assiduously. In the main, he sells not for the necessities of life, which he raises or picks from trees, but for luxuries like matches, cigarettes, bicycles, sewing machines, gramophones, and Xavier Cugat records.

Partly because he has to be coaxed, partly because he is so inaccessible, a hierarchy of native middlemen factors or brokers has risen up to fetch his produce to market and to take merchandise to him. Local brokers sell to district middlemen, the district middlemen to lower middlemen, and so on. In 1937 there were some 1,500 brokers or factors and 37,000 subbrokers in the Gold Coast; no attempt was made to estimate the number in Nigeria, but it probably exceeded 100,000. The one big ambition of the smart west African native, male or female, as soon as he or she donned a loin cloth and began to comprehend the weird and intricate ways of the white man, was to forsake the jungle and become a trader or middleman. But, of course, the middleman needed money, and the only way European firms could get produce was to advance the money to the brokers, who advanced it to the middlemen at 40 to 50 percent interest, and so on down the line to the farmer. The native brokers, like the white traders of an earlier day, quickly found out that the capital they had to work with presented tempting opportunities for cleaning up on their own.

A good example of how they worked is provided by the prewar cocoa situation. As the buyer of 40 percent of the cocoa in the Gold Coast and in Nigeria (the source of half the world's supply), UAC advanced hundreds of thousands of pounds to brokers. They in turn would buy cocoa at, say £25, and enter their purchases on the books at £30 or £35 if the price later went up that far, but at the actual buying figure if it fell; with the result that the European companies were left holding the bag no matter which way the market happened to go. UAC claims it lost £1,338,000 in cocoa buying between 1930 and 1937, overpaying brokers by some £350,000.

So practically all the European firms got together and formed a cocoa-buying pool that divided the market and "stabilized" prices. Just about this time, the world price of cocoa, influenced chiefly by the de-

cline in New York prices, fell abruptly. The bewildered natives and their chiefs could not or did not want to understand the reason and blamed the price decline on the buying pool. They organized a strike or "hold-up," and native sales and merchandise purchases fell off to practically nothing. The British Government investigated, and printed a report recommending, among other things, a farmers' cooperative to eliminate usury, misweighing, and other abuses of the middleman system.

But shortly afterward the war began, and the British Government, through traders, did all the buying. It still has a monopoly on West African cocoa, and with the world price around £250 a ton, it is buying cocoa for around £75 a ton, and has already made a profit of some £20,000,000. The Colonial Office says it will set aside these profits to bolster the price in future years at about the level it is paying now, and despite the howls and laments of American chocolate makers apparently intends to continue price controls indefinitely. Through the 1946-47 season it fixed not only prices but buying quotas, the latter on an "as is" or "past-performance" basis. UAC had no kick coming; it made at least a decent profit and any kind of stability was better than the old-time anarchy. Last fall, however, the Government suddenly knocked the props out from under this stability by canceling quotas but still continuing to fix the buying price. The companies must theoretically now bid for tonnage with very little room to bid in, and some kind of buying agreement is obviously in the offing.

Wartime price controls had and still have a salutary effect on other produce. UAC (and its predecessors) had habitually made trade agreements with European competitors—firms like Paterson Zochonis, of Manchester; Compagnie Française de l'Afrique Occidentale, of Marseille; John Holt & Co., of Liverpool. But it had no sooner made agreements than new competitors began to take advantage of the opportunity—just as the textbook says they should. In the late 1920's, for example, the European firms at Kano got together, agreed on prices, and made allocations of groundnuts, and it looked as if they would enjoy the blessings of stability. But a Tripolitan named S. Raccah got into the export trade, offered native middlemen and other sellers a better price than the European firms. He went broke in the middle 1930's, but came back strong by working hard and late, dealing through brokers in Europe, and dickering for lower than conference steamship rates. By 1938 he was exporting a third of the groundnut crop, and of course the European agreement in effect broke down. The war intervened, and the British Ministry of Food controlled and set quotas for West African produce, allocating UCA nearly half of the groundnut crop on a 3-year average.

The only noteworthy UAC activity that perhaps hasn't gained by Government controls is the practically noncompetitive lumber and timber business, which accounts for a rather small part of the company's revenues and an undisclosed but certainly very nice part of its profits. It harvests tropical timber of all kinds on a concession basis in the lowland jungles of Nigeria and the Gold Coast, saws it up in a mill at Sapele, Nigeria, and sells the lumber to the Ministry of Supply. A few years ago Mr. Samuel got interested in plywood, and UAC is now completing a huge factory with an annual output of 40,000,000 square feet of $\frac{3}{16}$ -inch plywood, worth \$3,000,000. The mills are on tide-water—logs float from the forests, and lumber and plywood are loaded onto UAC steamers at the door. UAC is spending money on houses and a hospital for 2,000 native workers; and the plywood mill, the first of its kind in the Tropics, involves considerable risk and experiment, including air

conditioning to combat humidity. But UAC has to pay the workers only about 50 or 60 cents a day, and the mill is potentially extremely profitable. Another is planned for the Gold Coast.

The British Government may not control the price of lumber and plywood by the time these mills are running, but it surely will control fats and oils for a long time. It seems determined, indeed, to peg them until the world supply, now a bare 17,500,000 tons, is somewhere near the 22,000,000 tons needed to put per capita consumption on a prewar basis. A question that will inevitably arise when controls are repealed concern Unilever's buying power. One of the arguments for the merger of the Dutch margarine and British soap interests that resulted in the Unilever combine was that together they could buy more than a third of the 5,800,000 tons of fats and oils normally handled in international commerce. Unilever was accordingly charged with having a powerful depressing influence on world prices. As we have noted, however, Unilever does not care to see prices depressed too far. And with a Labor government doing the stabilizing, UAC and Unilever have to worry only about the rather interesting charge, sometimes made, that they are running the Labor government. Even if they were, they wouldn't have to; the government's desire to maintain controls happens to coincide with Unilever's yearning for stability.

LEVER'S DREAM COME TRUE

What the Labor government has found out, ironically, is that Unilever's interests and the British national interests coincide so much of the time lately that it is sometimes difficult to recognize the company as the biggest octopus in the whole Old World. And Mr. Samuel's latest accomplishment is not only another example of such a coincidence; it can be interpreted as a victory in the Lever organization's 40-year-old fight with the Colonial Officer over plantation versus native farmer.

In addition to the 80,000 acres of plantations run by Hüllerles du Congo Belge, UAC Pamol Ltd. operates palm-oil plantations in Nigeria and the Cameroons. The latter dates back to German control and the other to a temporary excess of leniency on the part of the Nigerian Government, which allowed it to be set up as an experiment. The plantations have proved themselves vastly superior to the native farm methods. The forest is cleared and the young palms are planted, and they begin to bear within a few years. Since other trees do not keep the sun from them, they do not grow long trunks, and thus harvesting becomes easier and safer. The trees are more than twice as productive, and the oil is of consistently high quality, being expressed from the pericarp in plants right on the estate. Total cost has been cheaper than the price paid for native produce in all except the deep depression years. And today the finest palm oil can be produced for about half of the £25 a ton that the inferior native product brings. As a result of such differences in cost, the plantation-farmed Netherlands East Indies passed Nigeria in palm-oil exports in 1936 and the Congo is rapidly catching up.

Whether the plantation is socially superior to native farms is not quite so easy to say. The Colonial Office's contention that it would leave the native high and dry when profits fall has not been borne out, for during the depression plantation workers got along somewhat better than farmers. UAC plantations have provided the native much better housing than he has in the bush, plus free hospitals and clinics, schools, medical treatment; and the difference between the Congo plantation worker and bush native in health and general well-being impresses even the most skeptical visitor. Hüllerles du Congo is starting to raise a herd of cattle to pro-

vide red meat for its native employees, and has just founded L'Ecole Supérieure D'Agriculture-Huilever S. A. to teach bright Congolese to become estate managers. The only way native standards can be raised is by increasing native productivity, and the plantation system has done it faster than the slow educational system of the Colonial Office. The counterargument goes that the native on the plantation is deprived of his old village life and of the chance to process his produce as well as raise it, is fastened to a new kind of existence, and robbed of the illusion of running his own affairs. And it may be somewhat idealistic to expect a native to be more advanced than civilized people who have fought for the illusion of running their own affairs.

Neither groundnuts nor cocoa, however, are yet raised on African plantations. There is some doubt about whether cocoa trees could be; the best ground for them in the Gold Coast seems to be the middle of slopes, and it is of course terribly difficult to get enough middles of slopes together to make a plantation. The company, not missing a bet, has nevertheless planted 6,000 experimental acres of cocoa in the Congo. There is no doubt, however, about plantation culture of groundnuts. In 1946, while on a tour of East Africa, Mr. Samuel got the idea of developing huge groundnut farms in the vast uninhabited expanses of East Africa, where the soil seemed about right. But if Unilever proposed to buy hundreds of thousands of acres of land, the native leaders might have been down on its neck. Accordingly, Mr. Samuel developed the idea on a colossal three-and-one-quarter-million-acre basis, which no private company could very well swing, and turned it over to the Ministry of Food as Unilever's contribution to the solution of the world fats-and-oils shortage.

The ministry sent out a mission to report on the proposal. Soon after the mission returned, Food Minister Strachey, author of *The Coming Struggle for Power*, got up in Parliament and explained the scheme, adding that His Majesty's Government had asked UAC (one of the favorite targets of his Socialist friends) to manage the undertaking until it was in production. It was almost as if Churchill got up and said he wanted Aneurin Bevan as Prime Minister. There was derisive laughter from the right, and sharp questions from the left, and Strachey could only reply that UAC had the experience and that was that. And only last November 6, Mr. Strachey again gave the company a pat on the back. "I believe that the UAC and all those who have been officially and unofficially responsible for the very rapid launching of Operation Groundnuts deserve well of the people of Great Britain."

UAC not only started the project, it did so without fee. Yet this was not wholly an eleemosynary gesture. Eventually the plantations may produce 600,000 tons of nuts a year, more than Nigeria's exports of palm kernels and groundnuts combined, and the oil will not only enable Unilever to make more soap and margarine but will almost certainly have a stabilizing effect on world prices. As the world's largest buyer of fats and oils, Unilever will benefit immensely. And if the day again comes when there is a glut, Nigerian farmers will doubtless pay for the illusion of running their own affairs—unless the Nigerian Government promotes its own plantation schemes. In that sense the groundnut scheme was a victory for UAC—and for the ideas and ambitions of old Lever himself.

TROUBLE IN PARADISE

Meantime, the native farmers are making a lot of money and UAC is making a lot of money taking their money. Probably no company in the world sells a wider variety of merchandise. More than a third of its \$145,000,000 sales comes under the general

heading of textiles—180,000,000 yards a year—consisting mostly of cotton baft (heavy gray goods), and gaudy but imaginative cotton prints, carefully designed to satisfy the weird and changing taste in each section of the country. Next on the list, accounting for about 10 percent of sales, are cigarettes. After that come salt and anything else any department store can conceivably carry, from Sunlight soap made in the local factory to Czech hardware and gas engines and wine and cosmetics and machetes and General Motors refrigerators and cars. More than three-quarters of UAC's sales are wholesale, made in small, dumpy holes in the wall bearing the name of a predecessor or subsidiary like W. B. MacIver, which markets most of the company's textiles. As a matter of general policy, UAC wants to forsake retailing almost entirely and leave it to the African. With that aim in mind it is refurbishing and concentrating its retail activities in a chain of modern, sometimes elegant Kingsway stores, nearly half of whose customers are Europeans, and will maintain them mostly as show places and pilot plants.

The story of merchandising competition is the same as that of produce competition; it used to be devastating. Besides the European companies, there were upstart Greek and Levantine traders who showed a dismaying ability to cut prices, squeeze along, and stay in business. They even decided to import for themselves, a decision that Manchester and German textile manufacturers were only too glad to abet for a while—until one Syrian ordered a lot of textiles from Manchester and refused to accept them when they arrived. When they were auctioned off, his confederate, supplied with the Syrian's cash, got them for about 60 cents on the dollar. Of another shrewd trader his competitors say he hires a clique to stir up a crowd, whereupon he sells a piece of baft, say, at 25 percent below going price in the morning and gradually raises the price as the crowd gathers and the day wears on.

As times picked up, UAC and eight other companies, accounting for the bulk of the merchandise trade, got together and succeeded in stopping the cutthroat competition effectively enough to double mark-ups on some items. This get-together is frequently confused with the Association of West African Merchants, an entirely different body comprising the principal trading firms and founded during World War I. At the outbreak of World War II, the West African and home governments called it into consultation on import controls, price-fixing problems, and schemes for boosting native production. Even the whites, identifying it with high prices, call it the Association of Waylayers and Mercenaries. The get-together is currently unnecessary, for the government still fixes prices and allocates imports, more or less on a past-performance basis, and by and large the situation is beautifully under control for UAC. As a part of a large investment program, UAC has formed a jointly owned construction company with Taylor Woodrow, well-known British contractors, has a one-third interest in a 500,000-gallon brewery being built at Lagos, and is spending \$5,000,000 on its river fleet and docks. It is also finishing a banana-flaking plant (to be supplied from its banana plantation in the Cameroons), and planning to produce concentrated orange juice. If anything is to be developed in West Africa UAC will surely have a go at it.

The only notable fly in the ointment is a bold Gold Coast Greek named A. G. Leventis whom UAC sacked in 1936. He had little past performance in most of west Africa, but today he is one of the big retailers in the area. His white, modern, three-story building at Lagos, for example, is always crowded with merchandise and native buyers screaming to be waited on. The question of how

Mr. Leventis imported his merchandise was the subject of a government investigation, which mentioned the irregularities of customs officials and United States Army officers. Leventis is unquestionably resourceful. The native is so proficient at the art of drumming that it is sometimes quicker to send messages by drum than by telegraph, and the story goes that Leventis bought up the free time of a whole army of drummers, and that the coastal jungles now vibrate to the Yoruba or Ibo equivalent of "Buy from Leventis—he undersells everybody."

Yet Leventis does not seem to worry UAC too much. Presumably it expects him to sell out as others have sold out when the time is ripe. In any event, UAC has been going its way more or less unconcerned, accumulating its good share of profits and ill will. To be sure, it is blamed for sins it doesn't commit. It is blamed, for example, for the fact that most of the stuff it imports reaches the native consumer at anything from 100 to 500 percent above what it should sell for. Actually, UAC sells to middlemen traders at government-fixed prices, and the traders sell and resell the stuff for whatever traffic will bear. Caustic soda, used by local soap makers and dyers, is very scarce, and last August caustic soda sold by UAC for \$9 a ton was fetching \$88 a ton in the free market. The natives have accused UAC of taking advantage of the situation by making traders take some of the things they don't want in order to get other things they do want.

The traders themselves are far from blameless. In Ibadan, last August, Yoruba female traders had overstocked themselves with Guinea gold cigarettes and were selling them in the street at less than wholesale price, hoping, in the words of one UAC man, "that their big orders of cigarettes would entitle them to better allocation of scarce stuff, which they could mark way up." This is a variation of an old prescarcy practice known as gold coasting, or buying easily salable items on credit, selling them below cost if necessary, and lending the cash to needy traders or natives at 30 or 40 percent.

Last June the natives of Ibadan, led by a youth movement called the Discrimination Watch Committee and the newly formed Ibadan Wholesalers and Retailers Union, protested tie-in sales, unsuitable merchandise, and what they thought was the European importers' partiality for profiteering Syrian traders. They organized an effective boycott. "Never thought they could do it," admits a UAC man. "Anyway, the reason Africans complain about the inordinate profits of the Syrians is they want to make the profits."

Whatever the facts, UAC settled the boycott by agreeing to create 50 African traders at the expense of the Syrians, and so far it has found 14 natives capable of being made traders. The settlement, reached only after the Africans had demonstrated their strength, obviously did not do UAC any good. It strengthened the native's antagonism to the company and, more important, gave him confidence in his ability to fight it. As every company knows, a strike means bitterness, and losing a strike means losing prestige. In UAC's case the loss was even more severe because the strikers had different-colored skins and a different psychology.

THE WHITE MAN'S BURDEN

Nineteen years after its founding, UAC has arrived at an admirable commercial supremacy. Although its relations with the natives are better than they used to be they have not yet matched its commercial progress. The company is probably still vulnerable commercially—a new American or British company with plenty of Negroes in its management might give it a devastating ride. UAC is also vulnerable to public opinion. Now that India is practically independent, West Africa is one of the most critical frontiers on earth, one of the few remaining

chances for liberal western civilization to give a good account of itself. As the dominant enterprise in this area, UAC has to define success as a performance that does credit not only to itself but to the free-enterprise system. It has to bridge the gap between the middle 1800's and middle 1900's.

This is not an easy job, and there is much to be said for UAC. It is not and cannot be expected to be responsible for 50,000,000 Africans. To assure every native connected with the fats-and-oils business a decent living by European standards, soap and margarine would have to sell for \$5 a pound. The west African economy cannot be appraised in terms of the European or American social or economic clichés any more than its living standards can be assessed in terms of American standards. The seeming rapacity of the trading companies often sprang from the competitive spirit that is the legal ideal of United States industry. Competitive assailability created the will to monopoly; trading companies have abused their position in one place to recover what they lost by excessive competition in another.

Under ordinary circumstances, a company could partly compensate for all this by wise, deft handling of personnel relationships. Even this is not so easy as it sounds. The bulk of the natives are not only illiterate, they are stupid, listless, and exasperating, as Europeans would be if they and their families were plagued with malnutrition, malaria, dysentery, yaws, sleeping sickness, leprosy, and outsized umbilical hernias. The average native knows the European mostly in the relation of boy or servant to master. This is partly unavoidable, because nearly all Europeans in UAC territory are executives of one kind or another, and would be masters if their employees were white. Anyway, the average native almost compels the European to be the white master. Accustomed to the most despotic kind of rule by his native overlords, he regards the European who tries to be democratic as a weakling and a fool. He responds to being treated fairly—a circumstance overlooked by many white masters—but the fact remains that he seems to perform best when treated firmly. So the average European inevitably regards him as a child, and is disposed to treat him economically as a child.

Complicating all this are the native workers' low wages—as low as 20 cents a day, with "cola" (cost-of-living allowance), housing, and other benefits bringing the grand total up by 50 percent—while merchandise is generally higher in Africa than in Britain. Naturally, a bicycle or a bottle of hair straightener costs a little more in Africa than it does 5,000 miles closer to the place it was made; and the African, until he is more productive, cannot expect to earn as much as European labor. (To pay him high wages now in the last analysis would be to do him out of a job.) Which is not to say that European companies do not take advantage of low prevailing scales, set by governments, the largest employers of native labor, to get productive jobs filled cheaply.

As for the literate African, he would be hard to handle even if he were getting a much better deal economically and were always treated as the adult he is. Neither the British nor French in west Africa nor the Belgians in the Congo tolerate the color line that is a feature of life in south Africa as well as the American deep South. But the mere absence of a formal color line does not affect things very much. The more enlightened the native, the more he is aware that his brothers and uncles and aunts come closer to monkeys than Europeans seem to; and unless he is a man of immense talent, all the confidence he can muster in himself and all he knows about the stupidity and venality of the white man isn't enough to cover his discomfort.

The situation presents obvious and enormous opportunities for a demagog, and one has appropriately arisen. The most publicized native in west Africa is one Dr. Nnamdi Azikiwe, better known as Dr. Zik, a well-educated man with a gift for noble phraseology. He prints several Nigerian papers, and his program is independence for Nigeria, justice for the Africans, "the right to work if a man has to," freedom from UAC, the destruction of AWAM, and so on. Frequently he is unintentionally funny. One of his papers recently created a particularly anguished furor with the news that a UAC manager employed a dog as night watchman at a higher wage than he paid some of his help. Dr. Zik's editors missed the point. This manager, who has since been fired, used the dog to patrol his place and hit upon the whimsical and touching idea of entering the dog's name on his pay roll along with several fictitious names.

Of Dr. Zik and his papers and activities it is fair to observe they are one of the best arguments extant for making Nigeria a crown colony, but his line nevertheless is sometimes just and generally plausible—and packs a big appeal. Dr. Zik cannot be pooh-poohed, as he is, on the ground that only a small literate minority knows him. UAC and the other Europeans almost certainly underestimate him, just as they tend to underestimate the forces that have generated him.

UAC has done something to improve its relations with the natives. It has appointed a personnel manager, and has sent several of its African managers on extended trips through the United Kingdom. It has set up pensions and sick-leave benefits. For economy as well as good will it makes a policy of upgrading native personnel to managerial jobs as soon as they can handle them. In Togoland, all its staff is African. Although Africans are generally paid considerably less for the same work, most students of west African economics agree that equal pay for equal work would be a mistake. It costs the European much more than the native to live in the tropics, and a European scale for the African, besides being too far out of line with the lowest native wages, would tend to keep him out of government and business jobs that he should be trained to hold. But even when the native sees the point of this concept, which he rarely does, he naturally believes that UAC abuses it. During the war, UAC upgraded many Africans, and in the inevitable housecleaning after the war some lost out. The instinctive native reaction that the company was reviving color discrimination was taken up by the Zik press.

What UAC has on its hands, in other words, is a full-blown public-relations race problem about which it ought to do more than it has done. It could, for example, give thoroughgoing courses in race relations to young trainees and future managers, who now go down to Africa with only their own wisdom and imperfect knowledge to guide them. London seems to have decided it has a responsibility to the native, and Lord Trenchard has stated that it is UAC policy to cooperate more and more with colonial governments, but the company surely has not been able to sell itself or its good intentions to the natives. It might well study the methods of old Lord Leverhulme, who was as hardboiled as they come but knew what he was up against. "A native," he wrote in 1924, "cannot organize. He cannot run even a wooding post on the river satisfactorily." Nevertheless he felt that it was important to generate their good will, and suggested the publication of a magazine for African distribution with a cover showing a white hand clasping a black one and helping the native up a hill. The diagram might make a few sophisticated Africans guffaw, but the motive behind the idea is today more relevant than ever.

Mr. LANGER. Mr. President, some of the slaves of this great monopoly become educated. At the bottom of page 64 there are pictures of some of the natives, accompanied by the following note:

The fatalistic Mohammedan Hausa and Fulani of northern Nigeria (middle photo) boast a civilization that hasn't changed in a thousand years, yet is centuries ahead of the Congolese. Along the seaboard, the Sierra Leone and Gold Coast natives are considered most adaptable to European ways, with Yorubas and Ibos of southern Nigeria close behind. "And when they advance, that's when they get hard to handle," says a UAC official.

When they get a little education, they become hard to handle. I can understand that a man getting 20 cents a day, when he finds out how much people get in other parts of the country, may become rather hard to handle.

We turn now to page 132. I ask unanimous consent that the article in the box, entitled "The Foundlings on the Doorstep," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FOUNDLINGS ON THE DOORSTEP

"There are lots of funny bits lying about the company," says Geoffrey Heyworth, chairman of Unilever Brothers & Unilever Ltd. "It is like having a foundling on the doorstep; you don't slit its throat, you bring the thing in and take a look at it." Mr. Heyworth was talking about several odd, detached, and very profitable activities of United Africa Co. that function under an odd, detached, and profitable man named John Wigrain Shepherd. Most of them date back to the exploits of a director of African & Eastern (one of UAC's predecessors), Maj. Gen. W. H. Grey, C. B., C. M. G., who during and after World War I picked up a lot of bargains for his company in the Near East. He bought into the business of buying and shipping dates out of Iraq, and UAC now ships 100,000 boxes of the 500,000 going to the United States in the annual date rush. He bought the G. & A. Baker store in Istanbul, which got its start peddling cloth to the members of the Sultan's harem. It lost money for a long time, but now does very well indeed, has gone into the wholesale business, and exports and imports everything from airplanes to tobacco (it sold 200 de Havillands last year). In Iran, Iraq, Mesopotamia, and Syria, UAC buys wool from the tails of desert sheep, much in demand by United States carpetmakers. In the Canary Islands it runs a general import-export business, importing grain and maize from Argentina and water pumps from the United States, and exporting tobacco and highly profitable homemade cigarettes to Spain. In Morocco it specializes in importing Chinese green tea, a staple of Moroccan diet, and exports Moroccan leather, which really comes across the desert from Kano, Nigeria. Finally, it scrapes a few thousand dollars worth of guano off one of the Seychelles, north of Madagascar. All these activities gross it around \$8,000,000 and make it a good fat profit. As Mr. Heyworth says, "When profitable loose ends can be tacked on by ad hoc methods, why throw them out?"

Mr. LANGER. I now come to page 134, a continuation of the article previously placed in the RECORD, discussing the monopoly. The little children in America buy Hershey bars, for example,

on every one of which England, in control of Africa, makes an outrageous profit. Hershey and other chocolate bars are made from cocoa. Reading from page 134:

A good example of how they worked is provided by the prewar cocoa situation. As the buyer of 40 percent of the cocoa in the Gold Coast and in Nigeria (the source of half the world's supply)—

The article is dealing with the monopoly—

UAC advanced hundreds of thousands of pounds to brokers. They in turn would buy cocoa at, say, 25 pounds, and enter their purchases on the books at 30 pounds or 35 pounds if the price later went up that far, but at the actual buying figure if it fell; with the result that the European companies were left holding the bag no matter which way the market happened to go. UAC claim it lost 1,338,000 pounds in cocoa buying between 1930 and 1937, overpaying brokers by some 350,000 pounds.

What happened?

So practically all the European firms got together—

Here is where our American boys again got gypped—

and formed a cocoa-buying pool that divided the market and stabilized prices. Just about this time, the world price of cocoa, influenced chiefly by the decline in New York prices, fell abruptly. The bewildered natives and their chiefs could not or did not want to understand the reason and blamed the price decline on the buying pool. They organized a strike or holdup, and native sales and merchandise purchases fell off to practically nothing. The British Government investigated, and printed a report recommending, among other things—

What did they recommend? They recommended a farmers' cooperative—a farmers' cooperative, such as the Tax Equality League wanted us to put out of business. When they got all through, that is what they recommended, some 35 years ago.

The British Government investigated, and printed a report recommending, among other things, a farmers' cooperative to eliminate usury, misweighing, and other abuses of the middleman system.

But shortly afterward the war began, and the British Government, through traders, did all the buying. It still has a monopoly on West African cocoa, and with the world price around 250 pounds a ton, it is buying cocoa for around 75 pounds a ton, and has already made a profit of some 20,000,000 pounds.

That is, they buy it for around 75 pounds a ton, and sell it for about 250 pounds a ton.

The Colonial Office says it will set aside these profits to bolster the price in future years at about the level it is paying now, and despite the howls and laments of American chocolate makers apparently intends to continue price controls indefinitely. Through the 1946-47 season it fixed not only prices but buying quotas, the latter on an "as is" or "past performance" basis.

Further on, at page 136, the article says:

The British Government may not control the price of lumber and plywood by the time these mills are running, but it surely will control fats and oils for a long time. It seems determined, indeed, to peg them until

the world supply, now a bare 17,500,000 tons, is somewhere near the 22,000,000 tons needed to put per capita consumption on a prewar basis. * * * One of the arguments for the merger of the Dutch margarine and British soap interests that resulted in the Unilever combine was that together they could buy more than a third of the 5,800,000 tons of fats and oils normally handled in international commerce. Unilever was accordingly charged with having a powerful depressing influence on world prices.

There was one fellow over there who objected to the monopoly. His name was Zik. He is a well educated man, with a gift for noble phraseology. So that everyone who reads the RECORD may know what happened to him when he fought this gang, I ask unanimous consent to have that part of the article, commencing on page 142, with the paragraph starting with the words "the situation presents," through to the end of the article on page 144, inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the portion of the article referred to was ordered to be printed in the RECORD, as follows:

The situation presents obvious and enormous opportunities for a demagog, and one has appropriately arisen. The most publicized native in West Africa is one Dr. Nnamdi Azikiwe, better known as Dr. Zik, a well-educated man with a gift for noble phraseology. He prints several Nigerian papers, and his program is independence for Nigeria, justice for the Africans, "the right to work if a man has to," freedom from UAC, the destruction of AWAM, and so on. Frequently he is unintentionally funny. One of his papers recently created a particularly anguished furor with the news that a UAC manager employed a dog, as night watchman at a higher wage than he paid some of his help. Dr. Zik's editors missed the point. This manager, who has since been fired, used the dog to patrol his place and hit upon the whimsical and touching idea of entering the dog's name on his pay roll along with several fictitious names.

Of Dr. Zik and his papers and activities it is fair to observe they are one of the best arguments extant for making Nigeria a crown colony, but his line nevertheless is sometimes just and generally plausible—and packs a big appeal. Dr. Zik cannot be pooh-poohed, as he is, on the ground that only a small literate minority knows him. UAC and the other Europeans almost certainly underestimate him, just as they tend to underestimate the forces that have generated him.

UAC has done something to improve its relations with the natives. It has appointed a personnel manager, and has sent several of its African managers on extended trips through the United Kingdom. It has set up pensions and sick-leave benefits. For economy as well as good will it makes a policy of upgrading native personnel to managerial jobs as soon as they can handle them. In Togoland, all its staff is African. Although Africans are generally paid considerably less for the same work, most students of west African economics agree that equal pay for equal work would be a mistake. It costs the European much more than the native to live in the tropics, and a European scale for the African, besides being too far out of line with the lowest native wages, would tend to keep him out of government and business jobs that he should be trained to hold. But even when the native sees the point of this concept, which he rarely does, he naturally believes that UAC abuses it. During the

war, UAC upgraded many Africans, and in the inevitable housecleaning after the war some lost out. The instinctive native reaction that the company was reviving color discrimination was taken up by the Zik press.

What UAC has on its hands, in other words, is a full-blown public-relations race problem about which it ought to do more than it has done. It could, for example, give thoroughgoing courses in race relations to young trainees and future managers, who now go down to Africa with only their own wisdom and imperfect knowledge to guide them. London seems to have decided it has a responsibility to the native, and Lord Trenchard has stated that it is UAC policy to cooperate more and more with colonial governments, but the company surely has not been able to sell itself or its good intentions to the natives. It might well study the methods of old Lord Leverhulme, who was as hardboiled as they come but knew what he was up against. "A native," he wrote in 1924, "cannot organize. He cannot run even a wooding post on the river satisfactorily." Nevertheless he felt that it was important to generate their good will, and suggested the publication of a magazine for African distribution with a cover showing a white hand clasping a black one and helping the native up a hill. The diagram might make a few sophisticated Africans guffaw, but the motive behind the idea is today more relevant than ever.

The VICE PRESIDENT. At this point, if the Senator from North Dakota will permit, the Chair lays before the Senate a telegram from Richard L. Duncan, of the Falls Cities Cooperative Milk Producers' Association, Louisville, Ky., relating to the repeal of oleomargarine taxes. Without objection, the telegram will be printed in the RECORD, and lie on the table. The Chair hears no objection.

The telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

LOUISVILLE, KY., January 9, 1950.

Mrs. FLO BRATTON,

Office, Vice President, Senate Office Building:

Will you please convey to Mr. BARKLEY the following message?

The real issue in the oleo controversy is the color, yellow. Our amendment takes tax off all oleo and it is not our desire to prohibit sale of oleo; every day that our 65,000,000 meals served in public eating places you and I and other millions cannot tell difference between butter and high grade oleo product colored yellow. The three alternates in oleo bill for identification purposes will not be effective and cannot be enforced. Our bill leaves color issue up to individual States. Since dairy farmers' amendment takes tax off oleo and complies with Democratic platform relative to oleo legislation, we sincerely request that you ask administration and leaders to reverse pressure and line up with two and one-half million dairy farmers. The present administration objective merely aids 30 oleo manufacturers who have stirred up consumers on tax issue with \$6,000,000 worth of propaganda. Please help us to get a square deal. Thanks.

RICHARD L. DUNCAN,

Falls Cities Cooperative Milk Producers Association.

Mr. LANGER. We now come to volume 3 of Fortune, with its article concerning this great monopoly. It is the issue of February 1948. As I said, the first one was the issue of December 1947, the next, January 1948. I want to quote what one of their directors said. Perhaps some of those who have been voting

to give billions of dollars away will not be quite so anxious to continue doing so when they understand the attitude of certain people. The article gives the names. It shows that this outfit has directors. This great trust operates in the United States, the general manager of which is in charge of the Jefferson-Jackson Day dinners for the Democratic Party—the one man they chose out of 150,000,000 other persons in the United States.

Let me tell the Senate where this outfit operates and where it has its factories.

It has factories in Belgium, Denmark, France, Finland, Germany, Netherlands, Italy, Norway, Sweden, Switzerland, Austria, Czechoslovakia, Poland, Hungary, Yugoslavia, Rumania, Belgian Congo, Burma, China, India, Ceylon, Siam, Newfoundland, Canada, British East Africa, and Egypt.

When the Democrats looked around for a good general manager, one who had a wide acquaintance, they certainly chose a good man, because his companies operate in all these countries, and he can sell tickets at \$100 apiece to Jefferson-Jackson Day dinners.

I continue: Palestine, North and South Rhodesia, Union of South Africa, Australia, New Zealand, Pakistan, Philippine Republic, Malaya, Netherlands East Indies, and the Solomon Islands.

It may be that the Democrats should give a prize to those who sell the most tickets to the Jefferson-Jackson Day dinners.

This monopoly also has factories in Uruguay, Argentina, Chile, Brazil, and the Canary Islands.

I do not know whether there will be any canaries singing at the Jefferson-Jackson Day dinners.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. THYE. To what kind of plants is the Senator referring?

Mr. LANGER. I am referring to the plants of this one giant monopoly, the chairman of which is the general manager of the Jefferson-Jackson Day dinners for the Democratic Party.

Mr. THYE. In what are they engaged?

Mr. LANGER. They are engaged in manufacturing margarine.

Mr. THYE. And selling it?

Mr. LANGER. Yes.

Mr. THYE. If they should be permitted to color oleomargarine without paying a Federal tax, the ability of this great organization to make sales would make it possible to flood this country with oleomargarine to such an extent that butter would no longer be found on the market.

Mr. LANGER. That is exactly the point. They are hiring native labor at 20 cents a day.

Mr. THYE. With such sales ability they could sell oleomargarine to persons who did not even want to use it. Will the Senator give us the name of the corporation, in order that we shall not lose sight of the Senator's argument?

Mr. LANGER. It is known as Lever Bros. in the United States, and outside the United States it is known as Unilever, Ltd.

Mr. THYE. What is the name of the general manager?

Mr. LANGER. Charles Luckman. I want the Senator to see his picture.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. THYE. Does the Senator think that the butter and milk producers of North Dakota would have any chance to sell their product against such ability as that which the Senator has indicated?

Mr. LANGER. I can quote a letter from the dairy commissioner of North Dakota, William J. Murphy, saying that that kind of competition would be absolutely ruinous to the dairy farmers.

Mr. THYE. The very backbone and strength of the producers in the Senator's State, as well as the Minnesota producers, are the dairy farmer and the livestock man, because they can weather a drought and can carry livestock through even an extremely dry season, which would kill the wheat and barley crops. But if this international organization, with its ability to sell, and its ability to capture man's imagination by pictures and artistic drawings, could take the market, the farmer, who is dependent on his small cream check, would be put out of business. That is what the Senator is trying to show us, is it not?

Mr. LANGER. I may say to the distinguished Senator that when the drought was very severe in the Northwestern States, butterfat dropped to 16 cents, but the farmers were able to exist because even at 16 cents they could manage to make a small amount of profit. I assure the Senator, however, that if this outfit comes into the United States, spending \$50,000,000 for advertising, how, in heaven's name, can the farmers of the Northwest compete?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. HUMPHREY. Is it not a fact that this outfit is already in the United States—the John Jelke Co.?

Mr. LANGER. Yes.

Mr. HUMPHREY. Is it not a fact that the president of that company said that the oleomargarine plants under the control of this company would be the biggest oleomargarine plants in the world?

Mr. LANGER. That is their boast.

Mr. HUMPHREY. It is a company which now produces 75 percent of all the oleomargarine for Europe, outside the Soviet Union, and we are asked to place our dairy farmers and independent operators against that sort of an industrial giant.

Mr. LANGER. That is correct. The people took the Democratic Party at its word, and the dairy farmers helped to elect that party, acting upon the word of the President of the United States in his Philadelphia speech.

Mr. HUMPHREY. Does the Senator recall that yesterday, when I was delivering my remarks, I made some mention of the fact that the farmers of this country had some idea of what was in the platform, speaking of the Democratic Party platform?

Mr. LANGER. Yes.

Mr. HUMPHREY. I also went on to say that the farmers had something to do with the result of the election, and I pointed out that no monopoly was going to be able to do for the people of the country what the farmers were able to do for them.

I further pointed out that this was not an issue as to whether oleo was to the best interests of the consumer, but an issue between the independent operator and a giant international cartel which has been masquerading around this country until I think it has even fooled the Democratic Party. I do not suppose there is one Democrat out of a million who realizes the connections and ramifications of this international cartel. Many Democrats will be embarrassed after the pronouncements which have been made here by the Senator from North Dakota. I think the best way for them to save their face is to vote for the Gillette-Wiley substitute and to vote down House bill 2023 and investigate this oleo monopoly and cartel. I think that would save the day, and we could then go home with clean consciences.

Mr. LANGER. I agree with the Senator, but I think we should also investigate how, in heaven's name, the Democratic Party, at a time when the Attorney General of the United States was bringing a case against this monopoly, could name the general manager of that outfit as general manager of the Jefferson-Jackson Day dinners all over the United States.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. HUMPHREY. I think we as Democrats must say we are deeply indebted to the distinguished Senator from North Dakota on an occasion when it is very difficult to find out his politics. He is a good nonpartisan leader—

Mr. LANGER. I am a good nonpartisan all the time.

Mr. HUMPHREY. That is wonderful. It requires that sort of a clean-cut mind frankly to state the case. We did not receive any information from the policy committee of the Republican Party as to what was happening to us. So we want to thank the North Dakota nonpartisan leader for the great insight he has given to us and for the help he has given to some of us who are just as much against monopoly as he is. I may say to him that both the Democrats and the Republicans are somewhat guilty of lip service in the fight against monopoly.

Much talk has been heard throughout the country about monopoly and about our dislike of it, but neither party has had the courage to do much about it. I think one of the reasons for that is that the Republicans are involved in it so deeply they do not dare talk, and the Democrats have been dirtied up with it a little bit so that they do not dare talk. So, not being a monopolist myself, coming from a Democrat-farmer-labor State, at least from a progressive State, where even the Republicans are progressive, I should like to join with the Senator from North Dakota.

Perhaps it would be a good idea for us to join up and call both parties to task

and say, let us come clean on the question of trusts, monopolies, and cartels, let us enforce the law, give the antitrust division the money it needs, and not do as we did a few years ago, take away some of the money. Let us give them some of the attorneys they need, too.

Mr. LANGER. One way by which the Senator can do that is to buy a membership in the Non-Partisan League of North Dakota for \$16 a year. [Laughter.]

Mr. HUMPHREY. I should be delighted to buy such a membership if I only lived in the great State of North Dakota, but since we are being so gracious to each other, possibly we could exchange honorary memberships. I could give the Senator one of ours in the Democrat-Farmer-Labor Party in Minnesota, which, by the way, is only a dollar [laughter], and I should be glad to accept the \$16 one from North Dakota.

Mr. LANGER. We will negotiate.

Mr. FULBRIGHT. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Inasmuch as we are talking practical politics, if the Senator feels that what is done will have a great influence on the farmers, it seems to me he might insist that the Democrats are making a great mistake in repealing this law, and then perhaps the Republicans might have a chance to win an election sometime.

Mr. LANGER. The regular Republican Party is not interested in WILLIAM LANGER. I am in a branch of it by myself, the farmer-labor branch of the Republican Party, and I am protecting its interest here today.

Mr. WILEY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Wisconsin.

Mr. WILEY. I desire to compliment the distinguished Senator from North Dakota, first, because he has brought to the attention of the country a very significant fact, namely, the choice of Mr. Luckman by the Democrats—I must say that when I have listened to my good friend from Minnesota, this corporation would appear to be lily pure, as he made it out.

The Senator is entitled to credit for having brought to the attention of the country that much of the lip service on the Democratic side of the Senate against what are called trusts, corporate interests, is nothing but lip service.

They have put in charge of the Jefferson Day dinner one of the great outstanding economic royalists of the country. What is more, they precipitate, at the same time, into the forum of America the very significant fact, which is entitled to a great deal of consideration, that those who are pushing this fight to take color from butter and give it to oleo are likely to succeed unless we have more men of courage and understanding like the Senator from North Dakota.

I should like to ask a question of the distinguished Senator from North Dakota. Does the Senator remember that it was Lever Bros. who went into court to sustain their right to the color of a certain soap?

Mr. LANGER. Yes; I remember that, and I shall read that into the Record later.

Mr. WILEY. That is significant, Mr. President, when we consider not only the 2,500,000 farmers whose economic life is involved, but all the others in the chain of economic living who are connected with the farmers and whose subsistence is dependent upon whether or not the oleo monopoly shall take more of the spread market than they already have. Stop and think of it. The spread market in this country consists of about 2,300,000,000 pounds. Already this year, the evidence shows, oleo interests have captured 40 percent of that spread market, or more than 900,000,000 pounds.

Another significant thing is that less than 10 percent of that spread is in the yellow color. Why do they want to use the yellow color? They want to use it merely just to perpetuate their monopolistic activities.

I should like to say to the Senator that the American people owe him a tremendous debt, because he has demonstrated for the first time on the floor of the Senate the fact that the Democratic Party, which has posed all the time as the party of the people, the party of the common man, as serving the interests of the common man, is now really serving the interests of one of the greatest monopolies, not only in the United States, but in the world.

The distinguished Senator from North Dakota has said something about monopoly in this country. Does he know that this same organization is spending \$25,000,000 putting up plants in California? The purpose of that, of course, is to take over the west-coast spread, as we call it. In California the same monopoly has been selling oleomargarine for as low as 20 cents and as high as 60 cents. What is more, in order to capture that spread, they have indulged in the practice of giving to anyone who buys 1 pound of yellow oleomargarine a certificate entitling him to a free pound.

Again I say, let us consider the terrific impact upon the economic life of the country if the business of some 3,000,000 farmers and those who are connected with them is paralyzed. That is something we cannot reckon. It may start a tailspin that cannot be stopped. Personally, I think it would be something really catastrophic.

We have heard on the floor of the Senate debate on danger in the foreign field—in China, in Formosa—and debate about Tito. I think the idea that the green pastures are always farther afield is a wrong philosophy. I think we had better look to our own pastures and see whether or not something should be done here.

I trust that I have given the Senator a sufficient respite so that he can carry on. I thank him for the privilege of interjecting these remarks at this time into his very illuminating address. I say again, I congratulate the Senator. He has brought to the attention of the American people the fact that the Democrats have put at the head of their organization one of the greatest economic royalists in America, and that

they now expect they will be able to fool the Senate of the United States into giving back to him a monopoly of the oleomargarine business in America.

Mr. LANGER. I thank the distinguished Senator, and I wish to make it plain that not only is Mr. Luckman's company one of the greatest monopolies, but it is the greatest. This organization is bigger than United States Steel, and bigger than General Motors, far, far bigger. Actually, what the Democrats have done is a shameful, disgraceful thing. It is an insult to every real, true, honest Democrat in this country.

Mr. FULBRIGHT. Will the Senator yield?

Mr. LANGER. I yield.

Mr. FULBRIGHT. I did not understand the question which the Senator from Wisconsin asked. What was the question he asked?

Mr. LANGER. Whether or not the appointment of this man Luckman was a shame and a disgrace to the Democratic Party, and I said it was. That was the question.

Mr. WILEY. Silence lends consent.

Mr. LANGER. I had not finished giving the names of the countries where this monopoly operates. The list continues:

46. Iraq.
47. Iran.
48. Morocco.
49. Canary Islands.
50. Gambia.
51. Portuguese Guinea.
52. French Guinea.
53. Sierra Leone.
54. Liberia.
55. Ivory Coast.
56. Gold Coast.
57. French Togo.
58. Dahomey.
59. Nigeria.
60. French Equatorial Africa.
61. French Cameroons.
62. Spanish Guinea.
63. Gabon.
64. Belgian Congo.
65. Uganda.
66. Tanganyika.
67. Seychelles.
68. Union of South Africa.

So this outfit is now operating in 68 different countries.

On page 167 is given a list of what this great monopoly sold in 1946. It totals \$1,364,147,000. I think the people of the United States are entitled to know what this company is and where it operated, and what it sold and traded in and dealt in. It dealt in household and laundry soaps, in soap powders, in flake soaps, in toilet soaps, in medicated soaps, in scourers, in soapless detergents, and in water softeners.

When it comes to oleomargarine, it has offices in Solo, Belgium; Astra, France and in numerous other countries. The combine sold \$216,621,000 worth of oleomargarine, edible oils, and fats in the countries in which it operated. The combine sold canned vegetables, tea, and soups, baby foods, dried fruits, meat and fish pastes.

The combine also sold animal feeding stuffs.

It also sold chemicals, glycerin, bone products, candles, coal, fertilizers, ice, tallow, greases, residues from oil refining,

starch derivatives, and received revenue from activities such as printing and packing.

The combine further sold toilet preparations of every conceivable kind, including dental preparations, perfumes, lotions, toilet waters, talcs, shaving cream and sticks, face powders, face creams, shampoos, and hair dressings, and ointments.

Further the combine sold \$382,262,000 worth of vegetables and animal oils and fats.

It also sold merchandise in the amount of \$143,850,000.

Its produce sales amounted to \$114,275,000.

Then it rendered services amounting to \$16,269,000 on its steamship line, boats on the Niger and the Congo, and road transport in the United Kingdom.

Mr. President, I shall read a letter from the Dairy Commissioner of North Dakota, in answer to the question asked by the distinguished Senator from Wisconsin respecting this monopoly having brought a law suit, to which the Dairy Commissioner refers in his letter, to prevent the imitation of any one of the products the combine deals in. The letter is dated January 6, 1950, as follows:

DEAR SENATOR: I am again asking for your help in behalf of the dairy farmers of North Dakota. The oleomargarine bill is before the Senate for debate, but I would first like to express the appreciation of the dairy farmers of North Dakota for the assistance you have given us during previous sessions of Congress on this controversial issue.

Mr. President, let me digress to say that when the oleomargarine bill was previously before the Senate I offered an amendment to it which dealt with the subject of civil rights. That was about a year ago. I may say that the pending measure, if passed, will ruin thousands of farmers in the State of North Dakota. They have asked me to present at this time the same amendments to the oleomargarine bill that I presented a year ago. The first amendment I have prepared deals with the poll tax. The amendment is short. I wish to read the important part of it, and I shall offer it as an amendment to the pending measure. I read as follows:

The requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and attacks upon the right or privilege of voting for said national officers.

I shall not read the other sections. I offer the amendment as an amendment to the pending bill itself, and not to the Wiley-Gillette substitute.

Mr. MAYBANK. Mr. President, does the Senator have any objection to the amendment in full being read at the desk?

Mr. LANGER. I have no objection whatever to the amendment being read by the clerk.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). The clerk will read the amendment as requested.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

On page 4, line 19, after the word "of", insert "the foregoing provisions of."

On page 5, line 3, strike out the word "This", and insert in lieu thereof "The foregoing provisions of this."

On page 5, after line 6, add the following new sections:

"SEC. . The requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and a tax upon the right or privilege of voting for said national officers.

"SEC. . It shall be unlawful for any State, municipality, or other government or governmental subdivision to prevent any person from voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, on the ground that such person has not paid a poll tax, and any such requirement shall be invalid and void insofar as it purports to disqualify any person otherwise qualified to vote in such primary or other election. No State, municipality, or other government or governmental subdivision shall levy a poll tax or any other tax on the right or privilege of voting in such primary or other election, and any such tax shall be invalid and void insofar as it purports to disqualify any person otherwise qualified from voting at such primary or other election.

"SEC. . It shall be unlawful for any State, municipality, or other government or governmental subdivision to interfere with the manner of selecting persons for national office by requiring the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, and any such requirement shall be invalid and void.

"SEC. . It shall be unlawful for any person, whether or not acting under the cover of authority of the laws of any State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives."

Mr. LANGER. Mr. President, I ask that that amendment be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. LANGER. Mr. President, I now send to the desk and ask to have read, an amendment which is an exact copy of the so-called Ferguson antilynching bill. I offer it as an amendment to the pending bill, and ask that it be printed and lie on the table, and that it be read by the clerk.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and, without objection, the clerk will read it.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, and for other purposes, viz:

On page 4, line 19, after the word "of", insert "the foregoing provisions of."

On page 5, line 3, strike out the word "This" and insert in lieu thereof the following "The foregoing provisions of this."

On page 5, after line 6, add the following new sections:

"PURPOSE

"SEC. 7. To guarantee, insofar as it lies within the constitutional power of the Congress so to do within the subject matter of sections 7-18 hereof, (a) that each and every citizen of the United States be secured in the equal protection of the laws of the United States, and of the several States, and (b) that no citizen of the United States be deprived of life, liberty, or property without due process of law, the Congress, in the exercise of all powers which it possesses, does hereby legislate with respect to the crime of lynching as hereinafter defined.

"DEFINITIONS

"SEC. 8. Any assemblage of two or more persons which shall, without authority of law, exercise or attempt to exercise, by acts of physical force against person or property, any power of correction or punishment over any person, who is (1) in the custody of any peace officer, or (2) charged with or convicted of the commission of any criminal offense, or (3) suspected by such assemblage of the commission of any criminal offense, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such person, or of imposing a punishment, shall constitute a lynch mob within the meaning of sections 7-18 of this act. Any such exercise of power or attempt to exercise power by a lynch mob shall constitute lynching within the meaning of sections 7-18 of this act.

"CONSPIRACY BETWEEN MEMBERS OF LYNCH MOB AND FEDERAL OR STATE OFFICERS

"SEC. 9. Whenever a lynching occurs, any member of the lynch mob who conspires with any officer or employee of the United States or of a State or governmental subdivision thereof who is charged with the duty or possesses the authority as such officer or employee to prevent the lynching or to protect the person lynched, and any such officer or employee who conspires with any member of the lynch mob, to commit, instigate, incite, organize, aid, or abet the lynching shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding 20 years, or by both such fine and imprisonment.

"PUNISHMENT UPON STATE OFFICERS AND EMPLOYEES FOR WILLFUL FAILURE TO PREVENT LYNCHING

"SEC. 10. Whenever a lynching shall occur, any officer or employee of a State or any governmental subdivision thereof, who shall have been charged with the duty or shall have possessed the authority as such officer or employee to prevent the lynching, but shall have willfully failed or refused to make all reasonable efforts to do so, and any officer or employee of a State or governmental subdivision thereof who, under authority or duty granted or imposed by law of such State, shall have had custody of the person lynched and shall have willfully failed or refused to make all reasonable efforts to protect such person from lynching, shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding \$5,000 or by imprison-

ment not exceeding 5 years, or by both such fine and imprisonment.

"PUNISHMENT UPON FEDERAL OFFICERS AND EMPLOYEES FOR WILLFUL FAILURE TO PREVENT LYNCHING

"SEC. 11. Whenever a lynching shall occur, any officer or employee of the United States, (1) who shall have been charged with the duty or shall have possessed the authority as such officer or employee to prevent the lynching, but shall have willfully failed or refused to make all reasonable efforts to do so; or (2) who, under authority or duty granted or imposed by the law of the United States, shall have had custody of the person lynched and shall have willfully failed or refused to make all reasonable efforts to protect such person from lynching; or (3) who, in violation of his duty as such officer or employee, shall willfully fail or refuse to make all reasonable efforts to apprehend, keep in custody, or prosecute any person who violates section 9, section 10, or this section, shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding \$5,000 or by imprisonment not exceeding 5 years, or by both such fine and imprisonment.

"DUTY OF THE ATTORNEY GENERAL OF THE UNITED STATES

"SEC. 12. Whenever a lynching of any person shall occur, and information on oath is submitted to the Attorney General of the United States that any officer or employee of the United States or of a State or any governmental subdivision thereof who shall have been charged with the duty or shall have possessed the authority as such officer or employee to protect such person from lynching, or who, under authority or duty granted or imposed by the law of the United States or of such State, respectively, shall have had custody of the person lynched, has willfully failed or refused to make all reasonable efforts to protect such person from lynching or that any officer or employee of the United States, in violation of his duty as such officer or employee, has willfully failed or refused to make all reasonable efforts to apprehend, keep in custody, or prosecute any person who has violated section 9, section 10, or section 11 of this act, the Attorney General of the United States shall cause an investigation to be made to determine whether there has been any violation of sections 7-18 of this act. The duty imposed by this section shall be in addition to all other duties of the Attorney General.

"CIVIL ACTIONS BY INDIVIDUALS LYNCHED

"SEC. 13. (a) Any individual who is lynched, as defined in section 8 of this act, and who suffers injury to his person or damage to his property as a result of the lynching, or the next of kin of any such individual if such injury results in death, shall be entitled to maintain a civil action for damages for such injury, damage, or death against any person violating section 9, section 10, or section 11 of this act with respect to such lynching: *Provided*, That the satisfaction of judgment against one person who may be liable shall bar further proceedings under this section, by the individual who has obtained satisfaction of his judgment, against any other person who may also be liable.

"(b) Actions provided by this section shall be brought in the United States district court for the judicial district of which the defendant is a resident. Any such action may be brought and prosecuted by the Attorney General of the United States or his authorized representative in the name of the United States for the use of the real party in interest, or, if the claimant shall so elect, by counsel employed by the claimant, but in any event without prepayment of costs. If the amount of any such judgment shall not be paid upon demand, payment thereof may be enforced by any process, and to the

extent, available under the State law for the enforcement of any other money judgment against the defendant. The cause of action accruing hereunder to a person injured by lynching shall not abate with the subsequent death of that person before final judgment but shall survive to his next of kin. For the purpose of this section the next of kin of a deceased victim of lynching shall be determined according to the laws of intestate distribution of the State of domicile of the decedent. Any judgment under this section shall be exempt from all claims of creditors.

"PLACE OF HOLDING TRIALS

"SEC. 14. (a) Any judge of the United States district court for the judicial district wherein any civil action is instituted under the provisions of section 13 of this act may by order direct that such action be tried in any place in such district as he may designate in such order.

"(b) Any judge of the United States district court for the judicial district wherein any criminal action is instituted under the provisions of section 9, section 10, or section 11 of this act may by order direct that such action be tried in any place in such district as he may designate in such order: *Provided*, That where possible no such criminal action shall be tried within the territorial limits of any city or county within which the lynching, which is a basis for such action, occurred.

"APPLICATION OF KIDNAPING LAW TO LYNCHING

"SEC. 15. The crime defined in and punishable under the act of June 22, 1932 (47 Stat. 326), as amended, shall include the transportation in interstate or foreign commerce of a person who is unlawfully abducted with intent to lynch or to aid in lynching such person and who is subsequently lynched or held for purposes of lynching.

"APPLICABILITY TO OFFICERS AND EMPLOYEES OF THE TERRITORIES AND POSSESSIONS AND OF THE DISTRICT OF COLUMBIA

"SEC. 16. The term 'officer or employee of the United States' as used in this act includes an officer or employee of any Territory or possession of the United States, or of the District of Columbia.

"SEPARABILITY CLAUSE

"SEC. 17. If any particular provision, sentence, or clause of sections 7-18 of this act, or the application thereof to any particular person or circumstance, is held invalid, the remainder of said sections, and the application of such provision, sentence, or clause to other persons or other circumstances, shall not be affected thereby.

"SHORT TITLE

"SEC. 18. Sections 7-18 of this act may be cited as the 'Federal Antilynching Act'."

Mr. LANGER. Mr. President, I ask that the amendments be printed and lie on the table as amendments to House bill 2023, not as amendments to the Gillette-Wiley amendment in the nature of a substitute.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. LANGER. Mr. President, I now send to the desk, and ask to have printed and lie on the table, an amendment known as the FEPC amendment. I offer it as an amendment to House bill 2023, not as an amendment to the Wiley-Gillette amendment in the nature of a substitute.

I ask that the amendment be read by the clerk.

The PRESIDING OFFICER. Without objection, the amendment will be read.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

On page 4, line 19, after the word "of" insert "the foregoing provisions of."

On page 5, line 3, strike out the word "This" and insert in lieu thereof "The foregoing provisions of this."

On page 5, after line 6, add the following new sections:

"SHORT TITLE

"SEC. 7. Sections 7 to 21, inclusive, of this act may be cited as the "National Act Against Discrimination in Employment."

"FINDINGS AND DECLARATION OF POLICY

"SEC. 8. (a) The Congress hereby finds that the practice of discriminating in employment against properly qualified persons because of their race, religion, color, national origin, or ancestry is contrary to the American principles of liberty and of equality of opportunity, is incompatible with the Constitution, forces large segments of our population into substandard conditions of living, foments industrial strife and domestic unrest, deprives the United States of the fullest utilization of its capacities for production, endangers the national security and the general welfare, and adversely affects the domestic and foreign commerce of the United States.

"(b) The right to employment without discrimination because of race, religion, color, national origin, or ancestry is hereby recognized as and declared to be a civil right of all the people of the United States.

"(c) This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote 'universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.'

"(d) It is hereby declared to be the policy of the United States to protect the right recognized and declared in subdivision (b) hereof and to eliminate all such discrimination to the fullest extent permitted by the Constitution. This act shall be construed to effectuate such policy.

"DEFINITIONS

"SEC. 9. As used in sections 7 to 21, inclusive, of this act—

"(a) The term 'person' includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, receivers, or any organized group of persons and any agency or instrumentality of the United States or of any Territory or possession thereof.

"(b) The term 'employer' means a person engaged in commerce or in operations affecting commerce having in his employ 50 or more individuals; any agency or instrumentality of the United States or of any Territory or possession thereof; and any person acting in the interest of an employer, directly or indirectly.

"(c) The term 'labor organization' means any organization, having 50 or more members employed by any employer or employers, which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms, or conditions of employment, or for other mutual aid or protection in connection with employment.

"(d) The term 'commerce' means trade, traffic, commerce, transportation, or communication among the several States; or between any State, Territory, or the District of Columbia and any place outside thereof; or within the District of Columbia or any Territory; or between points in the same State but through any point outside thereof.

"(e) The term 'affecting commerce' means in commerce, or burdening or obstructing commerce or the free flow of commerce.

"(f) The term 'Commission' means the National Commission Against Discrimination in Employment, created by section 12 hereof.

"(g) The term 'act' as used in sections 7 to 21, inclusive, means the National Act Against Discrimination in Employment.

"EXEMPTIONS

"SEC. 10. This act shall not apply to any State or municipality or political subdivision thereof, or to any religious, charitable, fraternal, social, educational, or sectarian corporation or association, not organized for private profit, other than labor organizations.

"UNLAWFUL EMPLOYMENT PRACTICES DEFINED

"SEC. 11. (a) It shall be an unlawful employment practice for an employer—

"(1) to refuse to hire, to discharge, or otherwise to discriminate against any individual with respect to his terms, conditions, or privileges of employment, because of such individual's race, religion, color, national origin, or ancestry;

"(2) to utilize in the hiring or recruitment of individuals for employment any employment agency, placement service, training school or center, labor organization, or any other source which discriminates against such individuals because of their race, religion, color, national origin, or ancestry.

"(b) It shall be an unlawful employment practice for any labor organization to discriminate against any individual or to limit, segregate, or classify its membership in any way which would deprive or tend to deprive such individual of employment opportunities, or would limit his employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, or would affect adversely his wages, hours, or employment conditions, because of such individual's race, religion, color, national origin, or ancestry.

"(c) It shall be unlawful employment practice for any employer or labor organization to discharge, expel, or otherwise discriminate against any person, because he has opposed any unlawful employment practice or has filed a charge, testified, participated, or assisted in any proceedings under this act.

"THE NATIONAL COMMISSION AGAINST DISCRIMINATION IN EMPLOYMENT

"SEC. 12. (a) There is hereby created a commission to be known as the National Commission Against Discrimination in Employment, which shall be composed of seven members who shall be appointed by the President by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of 1 year, one for a term of 2 years, one for a term of 3 years, one for a term of 4 years, one for a term of 5 years, one for a term of 6 years, and one for a term of 7 years, but their successors shall be appointed for terms of seven years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission. Any member of the Commission may be removed by the President upon notice and hearing for neglect of duty or malfeasance in office, but for no other cause.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the cases it has heard; the decisions it has rendered; the names, salaries, and duties of all individuals

in its employ and the moneys it has disbursed; and shall make such further reports on the cause of and means of eliminating discrimination and such recommendations for further legislation as may appear desirable.

"(e) Each member of the Commission shall receive a salary of \$10,000 a year.

"(f) The principal office of the Commission shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place and may establish such regional offices as it deems necessary. The Commission may, by one or more of its members or by such agents as it may designate, conduct any investigation, proceeding, or hearing necessary to its functions in any part of the United States. Any such agent designated to conduct a proceeding or a hearing shall be a resident of the Federal judicial circuit, as defined in sections 116 and 308 of the Judicial Code, as amended (U. S. C. Annotated, title 28, secs. 211 and 450), within which the alleged unlawful employment practice occurred.

"(g) The Commission shall have power—

"(1) to appoint such agents and employees as it deems necessary to assist it in the performance of its functions;

"(2) to cooperate with regional, State, local, and other agencies;

"(3) to pay to witnesses whose depositions are taken or who are summoned before the Commission or any of its agents the same witness and mileage fees as are paid to witnesses in the courts of the United States;

"(4) to furnish to persons subject to this act such technical assistance as they may request to further their compliance with this act or any order issued thereunder;

"(5) upon the request of any employer, whose employees or some of them refuse or threaten to refuse to cooperate in effectuating the provisions of this act, to assist in such effectuation by conciliation or other remedial action;

"(6) to make such technical studies as are appropriate to effectuate the purposes and policies of this act and to make the results of such studies available to interested governmental and nongovernmental agencies; and

"(7) to create such local, State, or regional advisory and conciliation councils as in its judgment will aid in effectuating the purpose of this act, and the Commission may empower them to study the problem or specific instances of discrimination in employment because of race, religion, color, national origin, or ancestry and to foster through community effort or otherwise good will, cooperation, and conciliation among the groups and elements of the population, and make recommendations to the Commission for the development of policies and procedures in general and in specific instances. Such advisory and conciliation councils shall be composed of representative citizens residents of the area for which they are appointed, serving without pay, but with reimbursement for actual and necessary traveling expenses; and the Commission may make provision for technical and clerical assistance to such councils and for the expenses of such assistance.

"PREVENTION OF UNLAWFUL EMPLOYMENT PRACTICES

"SEC. 13. (a) Whenever a sworn written charge has been filed by or on behalf of any person claiming to be aggrieved, or a written charge has been filed by a member of the Commission, that any person subject to the act has engaged in any unlawful employment practice, the Commission shall investigate such charge and if it shall determine after such preliminary investigation that probable cause exists for crediting such written charge, it shall endeavor to eliminate any unlawful employment practice by informal methods of conference, conciliation, and persuasion. Nothing said or done

during such endeavors may be used as evidence in any subsequent proceeding.

"(b) If the Commission fails to effect the elimination of such unlawful employment practice and to obtain voluntary compliance with this act, or in advance thereof if circumstances so warrant, it shall cause a copy of such written charge to be served upon such person who has allegedly committed any unlawful employment practice, hereinafter called the respondent, together with a notice of hearing before the Commission, or a member thereof, or before a designated agent, at a place therein fixed, not less than 10 days after the service of such charge.

"(c) The member of the Commission who filed a charge shall not participate in a hearing thereon or in a trial thereof.

"(d) At the conclusion of a hearing before a member or designated agent of the Commission the entire record thereof shall be transferred to the Commission, which shall designate three of its qualified members to sit as the Commission and to hear on such record the parties at a time and place to be specified upon reasonable notice.

"(e) All testimony shall be taken under oath.

"(f) The respondent shall have the right to file a verified answer to such written charge and to appear at such hearing in person or otherwise, with or without counsel, to present evidence and to examine and cross-examine witnesses.

"(g) The Commission or the member or designated agent conducting such hearing shall have the power reasonably and fairly to amend any written charge, and the respondent shall have like power to amend its answer.

"(h) Any written charge filed pursuant to this section must be filed within 1 year after the commission of the alleged unlawful employment practice.

"(i) If upon the record, including all the testimony taken, the Commission shall find that any person named in the written charge has engaged in any unlawful employment practice, the Commission shall state its findings of fact and shall issue and cause to be served on such person an order requiring him to cease and desist from such unlawful employment practice and to take such affirmative action, including reinstatement or hiring of employees, with or without back pay, as will effectuate the policies of the act. If upon the record, including all the testimony taken, the Commission shall find that no person named in the written charge has engaged or is engaging in any unlawful employment practice, the Commission shall state its findings of fact and shall issue an order dismissing the said complaint.

"(j) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the Commission may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

"(k) The proceedings held pursuant to this section shall be conducted in conformity with the standards and limitations of sections 5, 6, 7, and 8 of the Administrative Procedure Act, Public Law 404, Seventy-ninth Congress, June 11, 1946.

"JUDICIAL REVIEW

"SEC. 14. (a) The Commission shall have power to petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia) or, if the circuit court of appeals to which application might be made is in vacation, any district court of the United States (including the Supreme Court of the District of Columbia) within any circuit wherein the unlawful employment practice in question occurred, or wherein the respondent transacts business, for the enforcement of such order and for appropriate temporary relief or

restraining order, and shall certify and file in the court to which petition is made a transcript of the entire record in the proceedings, including the pleadings and testimony upon which such order was entered and the findings and the order of the Commission. Upon such filing, the court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by section 10c and 10e of the Administrative Procedure Act.

"(b) Upon such filing, the court shall cause notice thereof to be served upon such respondent and thereupon shall have jurisdiction of the proceeding and of the question determined therein and shall have power to grant such temporary relief or restraining order as it deems just and proper and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(c) No objection that has not been urged before the Commission, its member, or agent shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(d) If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, its member, or agent, the court may order such additional evidence to be taken before the Commission, its member, or agent and to be made a part of the transcript.

"(e) The Commission may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings and its recommendations, if any, for the modification or setting aside of its original order.

"(f) The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals, if application was made to the district court as hereinafter provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"(g) Any person aggrieved by a final order of the Commission may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unlawful employment practice in question was alleged to have been engaged in or wherein such person transacts business, by filing in such court a written petition praying that the order of the Commission be modified or set aside. A copy of such petition shall be forthwith served upon the Commission and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding certified by the Commission, including the pleadings and testimony upon which the order complained of was entered and the findings and order of the Commission. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Commission under subsection (a), and shall have the same exclusive jurisdiction to grant to the petitioner or the Commission such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(h) Upon such filing by a person aggrieved the reviewing court shall conduct further proceedings in conformity with the standards, procedures, and limitations estab-

lished by sections 10a and 10b of the Administrative Procedure Act.

"(i) The commencement of proceedings under subsection (a) or (g) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"INVESTIGATORY POWERS

"SEC. 15. (a) For the purpose of all investigations, proceedings, or hearings which the Commission deems necessary or proper for the exercise of the powers vested in it by this act, the Commission, or any member thereof, shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any investigation, proceeding, or hearing before the Commission, its member, or agent conducting such investigation, proceeding, or hearing.

"(b) Any member of the Commission, or any agent designated by the Commission for such purposes, may administer oaths, examine witnesses, and receive evidence.

"(c) Such attendance of witnesses and the production of such evidence may be required, from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

"(d) In case of contumacy or refusal to obey a subpoena issued to any person under this act, any district court of the United States, or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the investigation, proceeding, or hearing is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Commission shall have jurisdiction to issue to such person an order requiring him to appear before the Commission, its member, or agent, there to produce evidence if so ordered, or there to give testimony relating to the investigation, proceeding, or hearing.

"(e) No person shall be excused from attending and testifying or from producing documentary or other evidence in obedience to the subpoena of the Commission, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The immunity herein provided shall extend only to natural persons so compelled to testify.

"ENFORCEMENT OF ORDERS DIRECTED TO GOVERNMENT AGENCIES

"SEC. 16. The provisions of section 14 shall not apply with respect to an order of the Commission under section 13 directed to any agency or instrumentality of the United States, or of any Territory or possession thereof, or any officer or employee thereof. The Commission may request the President to take such action as he deems appropriate to obtain compliance with such orders. The President shall have power to provide for the establishment of rules and regulations to prevent the committing or continuing of any unlawful employment practice as herein defined by any person who makes a contract with any agency or instrumentality of the United States (excluding any State or political subdivision thereof) or of any Territory or possession of the United States, which contract requires the employment of at least 50 individuals. Such rules and regulations shall be enforced by the Commission according to the procedure hereinbefore provided.

"NOTICES TO BE POSTED"

"SEC. 17. (a) Every employer and labor organization shall post and keep posted in conspicuous places upon its premises a notice to be prepared or approved by the Commission setting forth excerpts of the act and such other relevant information which the Commission deems appropriate to effectuate the purposes of the act.

"(b) A willful violation of this section shall be punishable by a fine of not less than \$100 or more than \$500 for each separate offense.

"VETERANS' PREFERENCE"

"SEC. 18. Nothing contained in this act shall be construed to repeal or modify any Federal or State law creating special rights or preferences for veterans.

"RULES AND REGULATIONS"

"SEC. 19. (a) The Commission shall have authority from time to time to issue, amend, or rescind suitable regulations to carry out the provisions of this act. If at any time after the issuance of any such regulation or any amendment or rescission thereof, there is passed a concurrent resolution of the two Houses of the Congress stating in substance that the Congress disapproves such regulation, amendment, or rescission, such disapproved regulation, amendment, or rescission shall not be effective after the date of the passage of such concurrent resolution nor shall any regulation or amendment having the same effect as that concerning which the concurrent resolution was passed be issued thereafter by the Commission.

"(b) Regulations issued under this section shall be in conformity with the standards and limitations of the Administrative Procedure Act.

"FORCIBLY RESISTING THE COMMISSION OR ITS REPRESENTATIVES"

"SEC. 20. Whoever shall forcibly resist, oppose, impede, intimidate, or interfere with a member, agent, or employee of the Commission while engaged in the performance of duties under this act, or because of such performance, shall be punished by a fine of not more than \$500 or by imprisonment for not more than 1 year, or by both.

"SEPARABILITY CLAUSE"

"SEC. 21. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby."

Mr. LANGER. Mr. President—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. I should like to inquire how long the Senator will speak this afternoon. I make the request because I have a short speech to follow his, and I have an engagement at 4:30 this afternoon.

Mr. LANGER. I had intended to speak until 5 o'clock, but I shall be glad to yield to the Senator if I may have unanimous consent that his speech may appear at the end of my remarks.

The PRESIDING OFFICER. The Senator can yield only for a question.

Mr. MAYBANK. The Chair has ruled that the Senator can yield only for a question.

Mr. LANGER. Mr. President, I wish to continue with the letter which I received from the dairy commissioner of North Dakota. Because of the fact that

I have introduced these bills, I shall re-read the first paragraph:

STATE OF NORTH DAKOTA,

Bismarck, N. Dak., January 6, 1950.

Hon. WILLIAM LANGER,

The Senate Office Building,

Washington, D. C.

DEAR SENATOR: I am again asking for your help in behalf of the dairy farmers of North Dakota. The oleomargarine bill is before the Senate for debate, but I would first like to express the appreciation of the dairy farmers of North Dakota for the assistance you have given us during previous sessions of Congress on this controversial issue.

If the oleomargarine bill is passed as is recommended by the Senate committee with all restrictions removed as to licenses and taxes on the colored product without any safeguards set up to protect the consumers against the fraudulent sale of oleomargarine, colored and sold as butter, and to protect our entire national dairy industry; it will certainly mean a necessary curtailment in dairy farming.

North Dakota, as one of the major butter-producing States, is vitally interested in this issue; and when, in trying to promote the expansion of dairying in our State, we are met with the question by our dairy farmers as to what will happen to our butter industry if we are forced to meet competition with the unrestricted sale of oleomargarine colored to resemble butter.

As you probably know, all of the major dairy organizations in the Nation are in favor of a repeal of all licenses and taxes on margarines providing that safeguards are put into the bill making it illegal to color the product to resemble butter.

Mr. President, I call the next paragraph particularly to the attention of the Senator from Arkansas. I am sorry he is not on the floor at the moment. I call his attention to this paragraph in the letter from the dairy commissioner of my State:

One of the largest manufacturers of oleomargarine, Lever Bros., as a plaintiff in a court case against one of their competitors, won a decision, which in effect stated that no other soap company could make a bar of soap colored red to resemble their Lifebuoy soap.

In a recent court case brought by the Food and Drug Administration, against a soft-drink manufacturer, the court ruled that synthetic orange color and flavor could not be added to a soft drink, as such addition would, in effect, make the soft drink appear to be a more valuable product than it really was.

I remember very well that only a few years ago the Coca-Cola Co. brought an action against the company making Pepsi Cola, to prevent even what might be called a similarity in name, and got a decision saying that only the Coca-Cola Co. could use the word "coke," because of the fact that it had been used for a considerable period of time by them in advertising.

So here we find the Lever Bros. bringing an action against a competitor to keep them from coloring their soap red, because they have Lifebuoy soap, which they own, and which they distribute, and which is red in color. They get a decision from the court in order to keep a competitor from coloring his soap red.

I repeat, that was Lever Bros., an organization which apparently figures it is

far above the law now, because in spite of the fact that an action was brought by the Attorney General under the Democratic administration, we find the Democratic National Committee, which is in charge of the Jefferson-Jackson Day dinners, picking the president of Lever Bros., the greatest monopoly in the world, as general manager for the Jefferson-Jackson Day dinners all over the United States of America. Of course, it may be that they are also going to have Jackson Day dinners in the 68 countries I named a little while ago, where the Lever Bros. and their subsidiaries are operating.

The letter from the dairy commissioner of North Dakota continues:

Through the years that we have had this controversial issue before Congress, we believe that it has been pretty well established that the only reason the oleomargarine people have for using the yellow coloring of butter, is to make it as nearly like butter as possible in order to fool the public.

In order to fool the public. That is what this bill is here for, in order to fool the public by permitting oleo to be colored yellow.

The letter continues:

Some oleo manufacturers are at the present time using dairy terms on their cartons, such as grade A or grade AA, which terms are used by the Federal Government in establishing grades on butter.

Speaking for the dairy farmer living in North Dakota, I would like to state that we would appreciate very much, anything you can do to prevent the wrecking of our North Dakota butter industry.

Thanking you again for your past efforts and assuring you that all of our farmers will appreciate anything you can do for them, I am,

Sincerely yours,

WILLIAM J. MURPHY,

Dairy Commissioner.

So again, Mr. President, I come back to the fact that Lever Bros., headed by its president, Charles Luckman, are really in charge of the Jefferson-Jackson Day dinners of the Democratic Party which are to take place in a very few days. Here is this man lending all his influence and giving all his time and all his ingenuity and devoting, I suppose, all the resources of Lever Bros. in the way of advertising—they spent \$50,000,000 in advertising, according to Fortune magazine, as I read it—to this new activity. He is the head of this gigantic corporation, this octopus, this greatest monopoly of all, this monopoly which has directorates not only in the United States, but in Belgium, in the Netherlands, in the Scandinavian countries, in Finland, in the Netherlands East Indies, in Italy, in Switzerland, in Austria, in Germany, in Czechoslovakia, in Poland, in Hungary, in Yugoslavia, in Rumania, in France, in Denmark, in Norway, in the Belgian Congo, in Siam, in China, in the Philippine Republic, in the Argentine, and in Brazil. In the United States, of course, Charles Luckman, the president, is the man chosen by the Democrats to make an outstanding success of these Jackson Day dinners, where I suppose, they are going to charge \$100 a ticket.

By that I mean that each ticket will cost \$100. It will not cover a couple. There were 2,500 persons present at a dinner a few days ago in New York City, and I looked at it on the television. There were more millionaires at that New York dinner, Mr. President—and it was addressed by the Vice President of these great United States—there were more millionaires gathered there than I ever saw before at any dinner anywhere in the entire United States.

Yet, Mr. President, the Democrats tell us they represent the poor people, they represent the underprivileged people—so they say.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. I want to congratulate the Senator for admitting that he watched the Democratic dinner on the television. I thought that he would disdain any such performance, would not even look at it, but now that he has confessed to watching that dinner from beginning to end, I want to compliment him. I think it is a compliment to the Democratic Party that my great and good liberal friend from North Dakota would do that.

Mr. LANGER. I wish to thank my distinguished friend for bringing this to my attention, and I assure him that I was getting an education. I do not belong to the regular Republican Party. I am a party within myself, known as the Farmer-Labor-Republican Party. The Farmer-Labor-Republican Party operates chiefly in the State of North Dakota, and I have been wondering how we could finance the Farmer-Labor-Republican Party in North Dakota.

As I watched and saw what was taking place in New York, I went home to North Dakota and there I arranged for similar Lincoln Day dinners. On the 9th day of February we are to have one in New Rockford, N. Dak., and charge \$100 for a couple. We could not quite get \$100 apiece, so we made it \$100 a couple. From there we are going to Bismarck, N. Dak., and have another dinner. From Bismarck we are going to Dickinson, N. Dak. They are all advertised. From Dickinson we are going to Williston, N. Dak., and from Williston we are going to Minot, N. Dak., and from Minot we are going to Grand Forks, N. Dak. From Grand Forks, N. Dak., we go to Fargo, N. Dak., and finish on the evening of the 17th day of February. I sincerely hope that the distinguished majority leader, if he cares to attend a great, liberal gathering like that, will at least buy a ticket so that he may show his good will toward the Farmer-Labor-Republican Party of the State of North Dakota.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. I wish to congratulate the Senator again upon what he says he is going to do with respect to Lincoln Day dinners in North Dakota. In other words, the great liberal from North Dakota, having taken a lesson from what

happened in New York City, is doing just the opposite of what the Republicans said not long ago they would do in Washington, have the participants take box lunches to their banquet. The Senator is going to charge \$50 apiece.

Mr. LANGER. No, \$100 a ticket.

Mr. LUCAS. A hundred dollars a ticket.

Mr. LANGER. Yes. We do not sell any halves.

Mr. LUCAS. I misunderstood the Senator.

Mr. LANGER. A hundred dollars for two.

Mr. LUCAS. Yes, a hundred dollars for two.

Mr. LANGER. And a man may bring his wife or his sweetheart.

Mr. LUCAS. It costs a hundred dollars to get into any one of these banquets, does it?

Mr. LANGER. Yes. We learned that from the Democrats.

Mr. LUCAS. I am sure you have.

Mr. LANGER. Yes.

Mr. LUCAS. I think the Senator from North Dakota has learned a good deal from the Democrats since he has been in the Senate, and I congratulate him on the number of votes he has cast with the Democratic Party since he has been in the Senate. He is learning fast, and it will not be long before he will be with the Democratic Party, the way he is going now, because if he follows the trail of those banquets he is surely going to be with them, and the chances are that Mr. Luckman will probably give the Senator a contribution for the Senator's next campaign before he gets through.

Mr. LANGER. I want to say to my distinguished friend that that may happen. I may be invited to join the other party. I gather, from what I have read in the newspapers, that some Republicans propose to drop certain of us who are progressives. The junior Senator from Ohio [Mr. BRICKER] in an interview stated that some members of his party wanted a new party to be formed, to be made up by an amalgamation of certain Republicans and of certain Democrats, but he said he did not want in the new party Republicans who do not vote with the Republicans all the time upon the floor of the Senate. I rather gained the impression that he referred to three or four Republican Senators who have not been consistently voting the Republican—I would not say orders—but who have not voted with the Republican majority on this side of the Chamber.

So far as I am concerned, I want to make it plain that the people of North Dakota do not care whether I am here as Democrat or Republican. It does not make one bit of difference to them. I may say that after I received the Republican nomination for United States Senator the first time, the Republican National Committee donated money to my opponent in the primary.

Mr. President, I owe the Republican Party in North Dakota absolutely nothing. Not only that, but the Republican nominee for President refused to travel on the same train with me. He had my

opponent in the primary on the train with him and introduced him to the people of North Dakota.

Eight years ago Mr. Dewey was candidate for President, after I had become the Republican nominee for Senator. In the Republican primary 8 years ago the Republican Governor of North Dakota called all the Republican bankers and "hifalutin" fellows together and they nominated a man against me on the independent ticket, and ran him as an independent Republican. They very proudly announced that so far as they were concerned they would as lief have a Democrat come to Washington as the present Senator from North Dakota.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. In a moment. I want to say that despite all they could do, I carried every single one of the 53 counties of North Dakota. So the people of North Dakota do not care very much about the label of any man.

I now yield to the Senator from Illinois.

Mr. LUCAS. I sympathize with the Senator, and I can well understand his feelings against the regular Republicans as the result of what they tried to do to him in North Dakota. I do not blame him for taking the position he does, and making the kind of speeches he does on the floor of the Senate.

Mr. LANGER. I thank the Senator from Illinois, and I am sure he would feel pretty much as I do if he were in my place.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WILEY. Now that my good friend the majority leader has had occasion to sort of get the distinguished Senator from North Dakota away from this Luckman tale, I ask him, is there any Republican angle to the Luckman tale, or is it 100 percent Democratic?

Mr. LANGER. So far as I am concerned it is 100 percent Democratic.

Mr. WILEY. We have all heard what the distinguished majority leader has just said. I thought it was a confession, and not avoidance when he said he hoped the distinguished Senator from North Dakota might also receive a contribution from Mr. Luckman.

Mr. LANGER. I do not know Mr. Luckman. I do not know whether he contributes to Republicans or Democrats or to whom he contributes. I said I did not know anything about that.

Mr. WILEY. Has the Senator any thought as to what will be done by Mr. Luckman now that he is the chairman of the Jackson-Jefferson Day dinners, and now that the Democrats are leading the fight to get rid of the oleo tax and want to open up the whole spread field even in those States where it is not permissible by State law for the oleo interests to take over that field? Has the distinguished Senator any idea as to why Mr. Luckman is in the picture in this way?

Mr. LANGER. As I said in the beginning, Mr. Luckman's company is operating in many different countries. I do

not know whether it is proposed to hold Jackson-Jefferson Day dinners in Belgium, the Netherlands, Scandinavia, Finland, the East Indies, India, Switzerland, and other countries. Mr. Luckman, as I said, has a wonderful organization, the finest in the world. I do not know anything about Mr. Luckman. I do not know the man. I do not want any of his contributions. I do not need them. I get along very nicely in North Dakota without them. Whether or not he contributes to the Democratic Party I do not know. I know he was appointed by the President to become the head of a department for a certain time, and he antagonized every farmer in my State when he said they could not eat chickens on certain days of the week. Mr. Luckman is the man who established chickenless days.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. I, too, was against the order which was issued with regard to not eating chicken on certain days, I will say to my friend.

Mr. LANGER. I am delighted to know that the Senator was opposed to that order.

Mr. LUCAS. I do not want the RECORD to remain in the shape the Senator from Wisconsin has now made it. What I said a moment ago was that, in view of the fact that the Senator from North Dakota is a great liberal and in view of the fact that Mr. Luckman is a great liberal, Mr. Luckman might at some time make a contribution to the Senator's campaign. When someone wishes to make an honest contribution to the campaign of a person running for office—including the Senator from Wisconsin and other Senators—I have not known any candidate who would not accept such a contribution. Mr. Luckman is making a contribution to the Democratic Party by being chairman of the Jefferson-Jackson Day dinners. He is making a tremendous contribution by permitting the use of his name and giving of his talents, and so forth, to make the dinners a success. I consider that to be a real contribution.

Mr. LANGER. I may say to the distinguished Senator from Illinois that I question the propriety of choosing as general manager of the Jackson-Jefferson Day dinners a man whose company is being sued at the present time in the Federal courts by the Attorney General on the ground that it is a monopoly.

Mr. LUCAS. I appreciate the Senator's reaction in that respect and the position he takes, and I shall not argue the question with him at this time. The Senator is entitled to his own views, and he usually has them, and expresses them on the floor very forcefully.

Mr. LANGER. Mr. President, in my opinion, there has never been a more far-reaching bill before the Senate, so far as our domestic economy is concerned, than the oleo bill authored by my distinguished colleague from Arkansas. In fact, Mr. President, I think the bill represents one of the most diabolical schemes that has even been proposed to

ruin an industry which is the largest segment of our American farm economy.

During the past few years we have witnessed the near destruction of the sheep industry. We have less sheep in the United States than we had 50 years ago. Imports of wool have been invited by the lowering of duties until we import two-thirds of the wool used in our country. While under the ECA, \$600,000,000 worth of cotton has been given away, we have imported 600,000,000 pounds of wool. This does not make economic sense in any language. We subsidize exports of cotton or give it away at a time the sheep industry is being ruined. In fact, we have reduced the sheep numbers by a third the past 5 years. The sheep numbers in North Dakota were reduced by 50 percent between 1940 and 1949.

What has this administration done to the fur-farming industry? It has all but ruined this system of farming. This was done by sending a delegation to Russia asking the Russians to dump their furs on our markets. In fact, over \$232,000,000 worth of furs were imported in 1 year and this was followed up by a 20-percent retail tax.

Now it appears that the next livestock industry to be ruined by this same administration is the dairy industry. Why do I make that statement? Just check up a little and see what is happening and has happened. Do Senators know we have two and one-half million less dairy cows than we had 15 years ago in the United States? Do Senators know that we have 3,000,000 less dairy cows and dairy heifers than we had 5 years ago? Before the war we had more dairy cows than beef cattle, but oleo has already replaced 3,000,000 dairy cows. Before the war 200,000,000 to 300,000,000 pounds of oleo were made in the United States. During the war the OPA froze butter at 46 cents per pound (or 30 cents per hour for labor) at a price below the cost of production. The OPA discouraged butter production. While in 1941 and 1942 we had an annual production of over 1,800,000,000 pounds of butter this annual production was reduced to 1,100,000,000 pounds by 1946. Since 1946 the annual butter production has been increasing in spite of the aid and comfort given the 25 oleo manufacturers.

While oleo annual production was 200,000,000 to 300,000,000 pounds prewar, its production was stimulated during and given special consideration and reached an annual production of over 800,000,000 pounds in 1948.

Mr. Charles Luckman, head of the Lever Brothers, the world's largest vegetable oil cartel was brought to Washington to save feed. Senators remember him. The Agricultural Department evidently could not handle the situation so they got the soap and oleo man Luckman to take over. Senators remember he had a program to prevent farmers from feeding their livestock. He must have kept the feed from the dairy cattle because butter production went down, but the joke in the situation is that oleo production went up. The Lever Bros. Co. bought the Jelke Oleo Co. incidentally, though, I suppose oleo and soap are made

in much the same manner. There evidently is not much of a change from the soap business to the oleo business.

Is it not a fact that this English vegetable oil cartel is building the largest oleo plant in America in California? Will it not be a joke on our cotton oil friends if the vegetable oil cartel uses coconut oil in its oleo plants instead of cotton seed oil? If this English vegetable oil cartel monopoly can get the Fulbright bill passed what is to stop them from dropping cotton seed oil like other oleo manufacturers have dropped soybean oil from their formula, and use coconut oil, which is recognized as more nearly like butterfat than either soybean or cottonseed oil?

While we are speaking of this English cartel, I wish to say, Mr. President, that I have in my hand a clipping from a newspaper headed "Briton sees need for more United States aid." The article is dated New York, November 1—United Press—and reads as follows:

A British financial expert said today Britain may need additional loans from the United States to replace special temporary aids now bolstering his country's economy. Sir Sydney Caine, Minister for Financial Affairs and head of the United Kingdom Treasury, hinted that a request for an increase of overseas lending will be made when funds from the Economic Cooperation Administration end in 1952.

Yet this is the same country that, as I stated a few minutes ago, has a monopoly in cocoa and is penalizing every child who buys a Hershey bar.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Russell in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LANGER. I yield.

Mr. WHERRY. In view of the observation made about the necessity for increased loans to Great Britain under the ECA program, I should like to ask the distinguished Senator whether, first, he would consider that what we have done for Britain is a loan. Is it not a fact that what we have contributed to Britain through ECA is a grant?

Mr. LANGER. It is a gift.

Mr. WHERRY. Second, what machinery, if any, has been set up by Britain and the United States to carry the ECA countries away from grants, which have been extended to the tune of more than \$15,000,000,000, back to a private-enterprise system, whereby they can stand on their own feet if and when ECA aid has been completed and concluded within the next year or, let us say, 2 years, at the most?

My point is this: We have been told that not only would the 4-year program increase the productivity and stabilize the countries which are receiving the ECA grants and aid, but that if the United States would continue that program for 4 years, those countries would be able to take care of themselves. When that time arrives, will there be continued requests for more aid, or will those countries then be in such a situation that they will be able to proceed

under their own steam, without any additional grants in any way, shape, or form; and will those 11 countries then be able to conduct their own business without any further aid from the United States?

Mr. LANGER. My answer simply is that I am not a member of the Foreign Relations Committee, and I have no particular knowledge of that matter, except as I obtain it from reading the newspapers. Some of the countries say they will be able to carry on. I understand that some of the countries which have been receiving aid from the United States are going to expect it to continue for at least 10 years.

I have just read some newspaper articles about statements given out by the Senator from Texas, saying that so far as he is concerned, as chairman of the committee, he proposes to cut down the amount of the aid, and not to give it unless there is some accounting and some indication that the people of the countries concerned are willing to work.

So far as I am concerned, I am willing to take the word of the distinguished chairman of the committee.

Mr. WHERRY. I should like to ask one other question. The Senator from Nebraska has always been in favor, as has the distinguished Senator from North Dakota, of providing food for people who need it, and I am sure the distinguished Senator from North Dakota feels that way about that matter. Does the Senator now feel, however, that, beyond the requests for food and the other necessities of life, possibly it would be desirable, as a restriction or condition on further loans or grants to Great Britain and other ECA countries, to require that they eliminate their economic and trade barriers and establish convertibility of currencies, so that they can do business among themselves, and sometime can begin to realize that they can do so without further relief from the United States? Would the Senator from North Dakota feel that would be the correct position to take?

Mr. LANGER. Certainly. Not only that, but I feel that dismantling in Germany should be stopped. This morning I received a letter from John B. Crane, of 886 National Press Building, Washington, D. C., relative to the dismantling of the Hochfrequenz-Tiegelstahl Works, a small but highly important steel plant at Bochum. At this moment Britain is dismantling that plant and is putting hundreds and hundreds of Germans out of work.

Mr. President, I ask unanimous consent that the letter and reports I have received from Mr. Crane be printed at this point in the RECORD.

There being no objection, the letter and accompanying reports were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., January 5, 1950.

The Honorable WILLIAM LANGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: Knowing of your keen interest and previous constructive efforts in stopping the dismantling of German factories, I thought you would be interested

in some of my recent observations on a short vacation trip to western Germany.

I found dismantling still going on, and one small but highly important steel plant at Bochum, known as the Hochfrequenz-Tiegelstahl works, is scheduled to be completely destroyed by January 31.

The facts in the enclosed reports tell the story in detail. It would appear that the British insistence on continuing the dismantling of this plant is based either on ignorance of the facts, or a deliberate desire to get rid of German competition. Most American experts believe the latter is the reason.

Prompt action could still save this plant. The facts presented here are for your information and to be used as you think appropriate. The State Department could probably secure a moratorium on further dismantling, if they so desired.

Sincerely yours,

JOHN B. CRANE.

DISMANTLING OF HOCHFREQUENZ-TIEGELSTAHL PLANT BASED ON ERRONEOUS DATA—SHOULD BE STOPPED IMMEDIATELY

A grave injustice will be done to the workers and management of the small steel plant at Bochum in the Ruhr, known as the Hochfrequenz-Tiegelstahl Werke, if further dismantling of the plant is continued. The plant is only 35 percent dismantled and can yet be saved if prompt action is taken.

None of the arguments advanced officially and unofficially by the British to justify their continued dismantling of the plant will stand up under close examination. Various American experts, including the Keenan mission, the Humphrey committee, and the staff of Commissioner John J. McCloy, have carefully studied the Hochfrequenz plant at Bochum and all have concluded the plant should not be dismantled. Then why do the British insist on further dismantling?

BRITISH ARGUMENTS TO DEFEND DISMANTLING BASED ON ERRONEOUS DATA

None of the four major arguments advanced by the British to justify destruction of the Hochfrequenz plant can be successfully defended if an investigation is held and an opportunity is permitted in open hearings to refute them. Here are the four arguments:

Argument 1: The Hochfrequenz plant, it is alleged, is already 80 percent dismantled, and it is too late to save it or remove it from the list of plants to be dismantled.

Answer: When this statement was made by the British early in December 1949 an American expert immediately visited the Ruhr and inspected the Hochfrequenz plant. He found it only 35 percent dismantled and the plant was still operating with over 600 workers. The only equipment dismantled had been war-damaged equipment, never used since the plant reopened after the war. At the present time, January 4, 1950, the plant is only about 50 percent dismantled. It can still be saved for effective production.

Argument 2: The plant is a war plant, and it is alleged that it was used during the war to produce turbine blades for jet airplanes. Security demands its destruction.

Answer: The plant is not a category I war plant since it was not built specifically for the manufacture of armament and war material. Before the war, during the war, and since the war it has produced castings and other parts essential to the German steel industry, the coal-mining industry, and the electric-power industry.

The German management categorically deny that they ever produced blades for jet aircraft, and assert this is absolutely false. They welcome a chance to disprove the British charges and will gladly open their books to any investigating committee.

Argument 3: If the Hochfrequenz plant is allowed to continue production it will bring total steel production in Germany above the 11,000,000 tons annually allowed by the Allies.

Answer: The annual steel-production capacity of the Hochfrequenz plant is only 6,000 tons. The parent plant at Krefeld has offered to reduce their steel-producing capacity by 20,000 tons annually, if the British will save the small plant at Bochum from further dismantling. If the British would accept this offer, the total steel capacity of the combined plants would be reduced by 14,000 tons, and the total steel capacity in Germany would be reduced.

The British have replied to the above German proposition for substitution that it is beyond their power to grant such a substitution and that the matter would have to be decided by the three high commissioners. The three high commissioners decided on December 19, 1949, that it was beyond their power and that it would have to be decided by the three foreign ministers in Washington, London, and Paris. An immediate moratorium on further dismantling is necessary to permit the foreign ministers to re-examine the situation of the Hochfrequenz-Tiegelstahl plant.

Argument 4: The Hochfrequenz-Tiegelstahl plant is on the east bank of the Rhine, and hence would be taken over by the Russians when world war III begins.

Answer: This argument scarcely deserves an answer. Many of the steel plants recently saved from dismantling are on the east bank of the Rhine. Present Allied policy calls for the economic reconstruction of all western Germany, not just the part west of the Rhine River.

Conclusion: Since the arguments in support of further dismantling of the Hochfrequenz plant are based on false data and inadequate evidence, an immediate stop to further dismantling of the plant should be granted, and a thorough investigation instituted.

WHY DISMANTLING OF THE HIGH-FREQUENCY STEEL PLANT AT BOCHUM, GERMANY, SHOULD BE STOPPED

The Hochfrequenz-Tiegelstahl work (a small steel plant in the Ruhr making high alloy, heat-resistant steels) at Bochum has been 35 percent dismantled as of December 21, 1949, and the completion of the dismantling is scheduled by the British for some time in January.

Any further dismantling of the plant will affect key furnaces and equipment, and will cause the shut-down of the plant with over 600 workers losing their jobs shortly after the new year begins.

EFFORTS PREVIOUSLY MADE TO STOP DISMANTLING OF THIS PLANT

The American Government made two investigations of the Hochfrequenz steel plant at Bochum in 1948. One of these was made by Mr. Keenan, and one by a group headed by Mr. Wolf who worked for the Humphrey committee (Paul Hoffman's committee). In both cases the American experts unanimously recommended that this steel plant be saved. Mr. Keenan declared that it was indispensable to the recovery and successful operation of the German coal mines. Mr. Wolf declared that the plant was essential to the efficient operation of Germany's steel industry and to the economic recovery of western Europe.

Several United States Senators have intervened with the State Department on behalf of this plant. Among those who have tried to save this plant are Senator GEORGE, chairman of the Senate Finance Committee, and Senator McCARRAN, chairman of the ECA "watchdog committee." Moreover, Senators

BRIDGES and WHERRY have been active in trying to save this and other steel plants.

PAST AND PRESENT DISMANTLING STATUS OF HOCHFREQUENZ-TIEGELSTAHL PLANT

During the war the Hochfrequenz steel plant was badly damaged by bombings. The British decided the plant was not a war plant and gave the plant a work permit to resume operations, and removed the plant from the reparations list in February 1947.

With the plant removed from the reparations list early in 1947 the management and workers got busy and rebuilt the plant with an expenditure of over 4,000,000 marks. Over 2 years later, on May 5, 1949, the British notified the plant that it would be dismantled beginning July 1, 1949.

As a result of the intervention of Senators GEORGE, MCCARRAN, and others, the British withdrew the dismantling order temporarily, but gave out a new order a month later. They ordered the dismantling to begin August 3, 1949. Dismantling has been in progress since that date and still continues.

In justifying their new order to dismantle the Hochfrequenz Steel Works the British Government told the State Department that duplicate capacity existed in other German steel plants and that the output of the small Bochum plant could easily be taken over by other steel plants. They said the workers could readily be absorbed in other industries when the plant was dismantled.

I have just returned from Germany where I took occasion to visit the Hochfrequenz plant and to talk with the management. They declare that the bulk of their production cannot be produced in any other steel plant in Germany as it requires special furnaces and highly specialized equipment not available elsewhere. The dismantlement of their plant will make them dependent on imports from the British and French alloy steel industries.

Moreover, I checked with the mayor's office in Bochum and found that the town already has over 2,500 unemployed metal workers as a result of the recent dismantling of the hugh Bochumer Verein steel plant which is also located in the town of Bochum.

Hence, if the Hochfrequenz-Tiegelstahl Works is dismantled, it will dump an additional 650 workers and their families on the local relief rolls. Since unemployment has been growing in western Germany in recent months, is it desirable deliberately to increase this unemployment by the dismantling of a nonwar steel plant?

The British admit that the Hochfrequenz steel plant is not a primary war plant, and that almost all of its production has always been for major peacetime industries such as the railway industry, the coal-mining industry, the electric utility industry, etc.

ADENAUER INTERVENES TO SAVE HOCHFREQUENZ

Dr. Adenauer, the Reichs Chancellor of the new Federal Republic of Western Germany, has just intervened to try to save the Hochfrequenz plant at Bochum. At the last meeting of the three Allied High Commissioners for Germany, held on December 16, 1949, at Petersberg near Bonn, Dr. Adenauer pleaded for the saving of the Hochfrequenz plant. The Commissioners replied that since the plant was not included in the list of plants agreed upon at Paris in November, it was not within their jurisdiction to consider his request.

It should be noted that the decision to dismantle the Hochfrequenz plant was made without any reasons ever being given in defense of such action, and without the Germans ever being told why the plant was to be dismantled, or ever being permitted to refute erroneous statements which have been made about the plant.

It is the consensus of opinion of American experts who have carefully studied the Bochum situation that the major motive

behind the British insistence on dismantling the Hochfrequenz plant is the desire to eliminate German competition.

Of great significance in this regard is the fact that the American High Commissioner for Germany, John J. McCloy, told me in a conference in his office at Frankfurt, Germany, on December 19, 1949, that he personally would like to see the Hochfrequenz plant saved.

AN IMMEDIATE MORATORIUM ON DISMANTLING IS NECESSARY

If the Hochfrequenz steel plant at Bochum is to be saved, an immediate moratorium on further dismantling is necessary. Such a moratorium should be for 60 or 90 days, or whatever period is required for the appointment of a special committee to investigate and report on the situation at Bochum. No harm could result from such a moratorium and investigation, while such an inquiry might well prevent a grave injustice being done.

JOHN B. CRANE.

WASHINGTON, D. C., December 28, 1949.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. I did not know the distinguished Senator was even going to mention the subject of dismantling. I have not had a chance to see the letter to which he has referred.

I have already consulted with the distinguished chairman of the Foreign Relations Committee, for whom I have the deepest regard, relative to plant disposal in Germany.

Does the distinguished Senator from North Dakota have any information, other than what is contained in the letter, relative to any orders issued by any Government agencies about the sale of war plants in Germany at this time?

Mr. LANGER. Not about the sale of such plants; but I have information that the military attachés have stopped this matter in the American zone.

Mr. WHERRY. Would the Senator feel there should be an investigation or any further consideration on the part of the Senate, or any committee thereof, to find out what is the status of the dismantling program, other than what has been told us by the Secretary of State?

Mr. LANGER. I think the Senate should make its own investigation, through the appropriate and proper committee, to find out whether dismantling in the American zone by the American military authorities has stopped.

(At this point Mr. LANGER yielded to Mr. MCCARRAN, who discussed the displaced persons program. On request of Mr. LANGER, and by unanimous consent, Mr. MCCARRAN's remarks appear in the RECORD at the conclusion of Mr. LANGER's speech.)

Mr. LANGER. Mr. President, the first session of the Eighty-first Congress put oleo into the armed forces diet. Millions of pounds of oleo have been bought by armed forces. I understand the enlisted men get the oleo and the officers the butter. I notice that the House and Senate restaurants do not serve oleo.

Many of my colleagues do not realize what is behind the whole controversy. They seem to think it is just an argument between oleo and butter. That is not the case, by any means. All the dairymen ask is that oleo be sold as oleo

and that it not be disguised as butter. We have had other synthetic substitute dairy products, such as filled milk where skimmed milk and vegetable oil are evaporated and sold for 2 cents a can less than evaporated natural milk.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. I have not been able to hear the entire address of the distinguished Senator from North Dakota, but as I entered the Senate Chamber he was speaking about a monopoly in colored soap; was he not?

Mr. LANGER. Yes—Lifebuoy soap.

Mr. WHERRY. Does the Senator mean there is a suit now pending, by which it is sought to prevent the sale of any other colored soap?

Mr. LANGER. Mr. Luckman, for Lever Bros, brought a suit against some of their competitors who were coloring the soap red, and he won it.

Mr. WHERRY. On that basis, it is the Senator's contention, is it not, that it is a subterfuge to color oleomargarine to imitate butter?

Mr. LANGER. Certainly.

Mr. WHERRY. Therefore, it is the holding of the Supreme Court with respect to the monopoly on soap, held by the firm in question, that leads the Senator to believe the makers of oleo have no right to color it and sell it as a substitute for butter. Is that correct?

Mr. LANGER. My friend from Nebraska is entirely correct.

Mr. President, millions upon millions of American babies are fed a formula based on the use of natural evaporated milk. Do Senators wish to have babies fed filled milk? If oleo equals butter, then filled or synthetic milk is equal to the natural product. I repeat, synthetic filled evaporated milk is the same as oleo in principle. The amounts of vegetable oils and skim milk are different. Oleo has 80 percent slowly undigestible cottonseed or other vegetable oil, and 15 percent skim milk and salt and a preservative. Filled evaporated milk has 7 percent cottonseed oil and 93 percent skim milk. I yield at this time to any Senator who will say that he has been feeding filled milk to any of his children, or that he knows of any doctor who has ever advocated the use of filled evaporated milk instead of the natural evaporated milk. I have no fear of anyone being able to answer the question.

Then we have oleo ice cream, which is an article of commerce in some States. All these substitutes depend on the dairy cow for the base of their product, which is skim milk. Oleo ice cream has already been served here in the Capitol in an effort to demonstrate its qualities. Where does this leave the dairy farmer? Must he develop a skim-milk cow to stay in the dairy business?

Then we have oleo bottled milk entering into the picture. Ask some of the committees that have been in Mexico City and Tokyo how they like oleo bottled milk. My colleagues should go slow before they take this step to ruin a \$10,000,000,000 industry. Do they wish to add a few hundreds of thousands to the unemployment rolls? Do they know that

10,000,000 people have jobs in connection with the dairy industry?

When President Truman addressed Congress the other day and talked about the general welfare, I do not think he meant the general welfare of any international English vegetable-oil cartel and monopoly—or did he? I do not think he meant—at least I hope he did not mean—the general welfare of the 25 oleo corporations, who have been reaping such enormous profits from their synthetic product. I should like to think the President meant that he was interested in the general welfare of the 2,500,000 dairy farmers of our Nation. I should like to think President Truman and his party would be interested in the health of the American people, which is being jeopardized by the promotion of the use of cottonseed oil. He speaks often of a health program, and I should like to think his interest in such a program would be based on a greater use of the greatest single food ever known to man—milk—and its products.

My party nearly stubbed its toe on the oleo bill 2 years ago. We were able to give it a sleeping pill in the Senate. We did not let the millions of easy money change our course. I note that Luce's magazines received \$12,000,000 for whisky and liquor advertisements last year and that they also had some very extensive oleo advertisements and pro-oleo editorials. I hope the Democrats will not fall for this one, either. They are constantly telling us about cartels and how the Republicans are in with big business. How they will vote on this oleo bill will determine how sincere they really are in trying to hold monopolies in control. In fact, I am really sorry for our distinguished majority leader, who hails from a great agriculture and dairy State. Does he want Illinois dairy prices to be like the Illinois egg prices are at this time? In my State eggs sold in December for as little as 18 or 19 cents a dozen. Every day in my mail I find letters from farmers protesting the price of eggs. Is that what the farmers can continue to expect from this administration? Do we want to follow up what we have done to the sheep business, the fur business, and the poultry business, by taking this step to ruin the dairy business?

I noted in the press that on January 3 our lovable Vice President told a group in Kentucky that "the farm situation is discouraging." I ask today, do we want to discourage another and the largest segment of the farming business by passing this most destructive legislation? We can pass it, perhaps, but we will regret the day. The day it will be found out for sure will be election day, next November, in my judgment. Mark well what I am telling the Senate today, because Senators have the votes and the responsibility. Every Senator who votes for these few big corporations will regret his vote. Democrats may say they are for the people, but for what people? If this bill is passed, I am sure it will be appropriate to get Mr. Luckman, who has already been designated as general manager of the Jackson Day dinners, to serve oleo on that occasion. Nothing could be

more appropriate and more proper than to have oleo served instead of butter on this great Democratic holiday, at a time when the Democrats will be celebrating.

Mr. President, I agree with what the distinguished Vice President said about the farm situation being discouraging. During the first 9 months of last year, the farmers of North Dakota received \$191,930,000 less than they received for a similar period the year before. That is a reduction of approximately 30 percent. If the farmers had not had that reduction, they would be buying more goods of all kinds, including radios and what not.

I have some figures to show the difference between the prices the farmers received a year ago and what they are now receiving, and what they paid a year ago and what they are now paying for some of the things which they buy.

On April 26, 1948, at Rock Lake, N. Dak., as reported by the administration, oats were selling for 98 cents a bushel. A year later, on April 26, 1949, the price had dropped to 51 cents a bushel.

On April 26, 1948, barley sold for \$2.06 a bushel, and in 1949 it sold for 92 cents a bushel.

Flax was reduced in price from \$5.66 a bushel to \$3.60 a bushel.

Durum, \$2.61 a bushel, to \$1.94 a bushel.

Wheat from \$2.10 a bushel, to \$1.91 a bushel.

The protein premium on wheat was reduced from 25 cents a bushel to 4 cents a bushel.

Under this administration, what has happened to what the farmers buy?

On April 26, 1948, a farmer at Rock Lake, N. Dak., could buy a model A tractor for \$1,970. Last April the price was \$2,400.

A farmer could buy a model D John Deere tractor for \$2,370, and last April it cost \$2,750. Think of that increase in price, when the prices of most articles are going down.

In April 1948 a self-propelled combine could be bought for \$4,740, and in April 1949 it cost \$5,045.

In April 1948 a farmer could buy a press drill for \$680. Last April it cost \$800.

Mr. President, the dairy industry is one of the largest industries in the State of North Dakota, and if this bill should become law that industry will be ruined in that State. That is why I read the letter from the dairy commissioner of North Dakota, Mr. William J. Murphy. That is why the secretary of agriculture of North Dakota came to Washington to protest at the time when the oleomargarine bill was previously being considered. To the people of my State, not only the farmers but also the businessmen, it is a very serious matter when there is the tremendous reduction in farm income which I have already described.

North Dakota is known as the most progressive State in the Union, according to John Gunther. The State bank in North Dakota is owned by the people. It makes a profit of a half-million dollars a year. We have our own mills and ele-

vators, and we manufacture many of our own foods at a profit of \$865,000. Last year it was nearly half a million dollars.

We have our own insurance system, our own storm and hail insurance. We saved our farmers \$100,000,000 in hail insurance. We insure every public building, every one of our schoolhouses, and our county courthouses, and it cost us, for a little while, a third of what the old-line insurance companies charged. The State writes its own fidelity bonds. Everyone handling public money in North Dakota is bonded. We have nearly \$2,000,000 in that fund.

We may do as South Dakota has done—go into the cement business. South Dakota has its own cement plant, which has been a great success. We propose at an election, within a short time, to submit to the people the question of whether North Dakota shall build its own cement plant. Some years ago there was a cement plant owned by private industry, but the Cement Trust put that plant out of business because the trust could furnish the cement more cheaply than it could be produced in North Dakota. So within a short time the question will arise in North Dakota as to whether the State shall establish its own cement plant.

One industry after another has been ruined by this administration. If the pending oleomargarine bill shall become a law, according to the dairy commissioner of North Dakota, the commissioner of agriculture of North Dakota, and according to scores of letters and telegrams which the various creamery cooperative companies have poured in to Washington, the administration will also ruin the dairy industry.

I appeal to Senators not to act hastily, but to make a thorough investigation before they ruin not only the farmers of North Dakota, but the farmers of all the other States I have mentioned this afternoon.

In closing, Mr. President, I again desire to call attention to the speech made by the President of the United States in Philadelphia, when he was a candidate, when he said, "Any farmer who does not vote the Democratic ticket is guilty of ingratitude," and when he said, "Any laboring man who does not vote the Democratic ticket is guilty of ingratitude."

I read on the floor of the Senate the names of the States which took the President at his word, which voted Democratic, which gave him their electoral votes. When we add them together, we find that if those votes had not gone to President Truman, he would have been 70 electoral votes short.

I say, Mr. President, this is no way to double-cross the farmers of those States which took the President at his word, and voted for him believing he was a friend and that the Democratic Party was a friend of the dairy farmers of this great country.

~~ADMINISTRATION OF DISPLACED PERSONS PROGRAM IN EUROPE~~

During the delivery of Mr. Langer's speech,

Mr. McCARRAN. Mr. President, has the Senator from North Dakota arrived

at a point in his discussion where he can permit me to make a statement for the RECORD?

Mr. LANGER. Yes; and I ask unanimous consent that whatever the distinguished Senator from Nevada wishes to say at this point may appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARRAN. I wish to have the clerk read a short statement which I send to the desk.

Mr. LANGER. I yield for that purpose, provided it is understood that, by unanimous consent, I shall not lose the floor by so doing.

The PRESIDING OFFICER. Without objection, it is so ordered; and the matter sent to the desk by the Senator from Nevada will be read.

The legislative clerk read as follows:

STATEMENT BY SENATOR PAT McCARRAN, CHAIRMAN, SENATE COMMITTEE ON THE JUDICIARY

There is set forth below copy of exhibit No. 8 of the investigation regarding the administration of our displaced-persons program in Europe:

AMERICAN CONSULATE GENERAL,
Munich, Germany, September 9, 1949.

Subject: Possibility of fraud in connection with visas obtained by displaced persons in Amberg, Germany.

The honorable the SECRETARY OF STATE,
Washington.

SIR: I have the honor to report that it has come to the attention of the Amberg sub-office of the Consulate General that 10 visas were issued between December 29, 1948, and June 16, 1949, to displaced persons who are apparently ineligible under Public Law 774 for admission into the United States. It is understood that these persons are either now en route to or are already in the United States. These persons have all made statements under oath in their visa applications which subsequent documentary evidence had shown to be probably false, and in each case the eligibility of the person concerned was dependent upon the truth of the statements. The specific point in question is the date upon which these applicants arrived in Germany. In order to be eligible under Public Law 774, these applicants must have arrived in Germany before December 22, 1945. The recently discovered documentation indicates that these applicants all arrived subsequent to this date.

The matter was called to the attention of the Consulate General by the military government officer responsible for the town of Schwandorf, Bavaria, who is at present investigating charges of bribery of a member of the city government of Schwandorf by a prospective visa applicant. The accused is said to have paid 50 marks through the wife of the president of the Jewish committee of the town, in an effort to have the city records which show residence in Schwandorf adjusted so as to make him eligible under Public Law 774. This investigation has shown that a number of displaced persons who had already departed for the United States had previously caused their police records in Schwandorf to be changed, and further that upon their presentation for a visa, the statements which they made under oath did not correspond with records in Schwandorf. After examining the Schwandorf police records in these cases, the records of the International Refugee Organization in Amberg (IRO area IV headquarters) were also consulted. It was shown that these records agree with the Schwandorf records and do not support the statements made by the applicants in their application.

The 10 cases in question are as follows:

1. Boltuch, Lea, was issued Polish quota visa 3227/50 on December 29, 1948. Miss Boltuch stated under oath that she had resided in Munich from November 1945 until 1946. The Schwandorf records in this case consisted of two documents, one a questionnaire which Miss Boltuch prepared in order to obtain a German identification card. On the identification card questionnaire, she stated that she arrived directly in Schwandorf from Poland in the summer of 1946. On her police registration card, a notice as to her residence in Munich has been added, obviously subsequent to her original registration. In the files of IRO in Amberg, two documents were consulted in this case, the questionnaire prepared by Miss Boltuch for the Army which states that she arrived in Germany in July 1946 from Poland, and the IRO Card and Maintenance Questionnaire (CM-1 form) which indicates that she resided in Munich during the time stated on her application.

2 and 3. The documents in connection with Miss Boltuch's sister and brother-in-law, Simon and Taube Haber (Polish quota visas 6028/50 and 6029/50, issued February 3, 1949) also follow the same pattern of discrepancy, i. e., the residence in Munich is added later on police registration card, the identification card questionnaire shows no residence in Munich, the Army questionnaire shows arrival in Germany in 1946, and the CM-1 form shows residence in Munich between October 1945 and August 1946. It is noted that in both the Boltuch and Haber cases the CM-1 form was prepared on May 26, 1948, at which time it was generally known that in order to qualify under the President's directive of December 22, 1945, concerning the immigration of displaced persons, the applicant must have been in Germany prior to the date of the directive.

4 and 5. Brafman, Daniel and Anna, were issued Polish quota visas 3593/50 and 3594/50 on February 2, 1949. Brafman stated in his application that he came to Germany in November 1945 and resided in the neighborhood of Schwandorf from that date on. On his Schwandorf identification card questionnaire, he states that he arrived in Schwandorf in July 1946. However, there is an entry in pencil (possibly in Brafman's own handwriting) between his statements as to residence in Piotrkow, Poland, in 1945, and Lodz, Poland, in 1946, stating that he lived in Schwandorf between November and December 1945. Brafman's CM-1 form shows residence in Lodz, Poland, uninterruptedly from June 1945 until June 1946, where he was employed as a tailor.

6, 7, and 8. Henryk, Mela, and Fedor Badrian were issued German quota visa 6945, Polish quota visa 5601/53 and German quota visa 6946, respectively, on April 21, 1949. Badrian based his eligibility on arrival in Schwandorf in September 1945 from Katowice, Poland. This statement is substantiated by the identification card questionnaire in Schwandorf. However, the IRO CM-1 form shows Badrian to have been residing uninterruptedly in Katowice from January 1945 until September 1946, and the IRO DP registration card (DP-2 card) shows the same information.

9 and 10. Israel and Irena Dreier were issued Polish quota visas 5415/56 and 5416/56 on June 16, 1949. Dreier claims to have been in Schwandorf between September and December 1945. There is no record in the Schwandorf police records of this trip to Schwandorf from Poland. Furthermore, there is attached to the police records a Polish certificate of residence showing Dreier to be living in Krakow from March 1945 until March 1946. The CM-1 Form does not show residence for Dreier in Schwandorf before September 1946.

The investigation of these cases and other similar cases in which visas have not yet

been issued is being continued by the local Displaced Persons Commission team, the International Refugee Organization, and military government, CIC, and this office, and if any other cases are discovered in which it is believed that visas have been issued to persons not eligible under Public Law 774, the Department will be informed immediately.

Information in the records in question indicates that the following persons may have made false statements in their visa applications believing that these statements were necessary in order to establish their eligibility under Public Law 774:

Albert, Solomon (Polish quota visa 5453/56 issued June 30, 1949).

Apfelbaum, Juda and Férla (Polish quota visas 5626/53 and 5627/53, issued April 22, 1949).

Taffel, Leib and Estéra (Polish quota visas 6202/52 and 6203/52, issued March 29, 1949).

The information in the documents, however, shows that these persons were already eligible from the point of view of entry into Germany prior to December 22, 1945. These persons had been in concentration camps in Germany during the war, then returned to Poland, and apparently falsified the dates of their reentry into Germany.

The Schwandorf documents disclosed above are in the archives of the burgermeister of Schwandorf, and the IRO CM-1 forms and DP-2 cards are in possession of the IRO Area IV Headquarters, Amberg, Germany.

Respectfully yours,

SAM E. WOODS,

American Consul General.

(Copy to Supervisory Consulate General, Frankfurt.)

Mr. McCARRAN. Mr. President, yesterday there was released from my office, as chairman of the Judiciary Committee and as chairman of the subcommittee having in charge the matter of displaced persons, a statement made to me by a person in authority in Germany, an employee of the Displaced Persons Commission, who I believe made the statement freely and voluntarily. It was published, and this morning there appears in the Washington Post a statement purporting to come from Mr. Carusi, Chairman of the Displaced Persons Commission, in which, about as strongly as he dared, he attempts to call the chairman of the Judiciary Committee a liar.

It is not often the chairman of the Judiciary Committee is called a liar by one holding a place such as that occupied by Mr. Carusi. I have had inserted in the RECORD the matter which has just been read by the clerk, and I am wondering whether Mr. Carusi will now proceed to call the consul general at Munich, Mr. Sam Woods, a liar, and whether he will take Mr. Sam Woods to task, as he says he has taken the employee of the Displaced Persons Commission to task for having made statements to me. The statement just read by the clerk is a statement on file with the State Department, made by an official of the State Department, unhesitatingly, and it shows, as did the statements of the witnesses who testified before me in Stuttgart and Munich, that there is continual fraud in the matter of securing visas for displaced persons.

It was stated to me in Europe, not once, but repeatedly, that for a package of cigarettes one could get a birth certificate; for a package of cigarettes one

could get affidavits showing his residence to be at a certain place at a certain time, when he was not there at all. All those statements are at the present time in the possession of the Judiciary Committee, and of a subcommittee thereof and no doubt will be disclosed. But, now that Mr. Carusi has seen fit to call the chairman of the Judiciary Committee a liar for having released the statement of a witness, I am wondering whether he is going to call Sam Woods a liar. If he does, I merely want to tell Mr. Carusi that I shall have more material for him, and by the time he gets through with his Ananias club, it is going to be a real organization.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the junior Senator from Wisconsin [Mr. McCARTHY] in line 10, page 4, of the original bill.

RECESS

Mr. LUCAS. Mr. President, I understand there are to be a number of other speakers, both for and against the pend-

ing measure, and in view of the fact that the hour is now 5 o'clock, I presume we should probably take a recess until tomorrow. I should like to ask Senators who are interested in the bill whether they feel that we might be able to get a unanimous-consent agreement for a vote sometime soon on the bill and all amendments.

Mr. LANGER. I do not think we can get a unanimous-consent agreement tonight, but perhaps we may tomorrow.

Mr. LUCAS. I thank the Senator. Under those circumstances, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, January 12, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 11 (legislative day of January 4), 1950:

UNITED STATES ATTORNEYS

Adrian W. Maher, of Connecticut, to be United States attorney for the district of Connecticut. He is now serving in this office under an appointment which expired December 18, 1949.

Henry L. Hess, of Oregon, to be United States attorney for the district of Oregon.

He is now serving in this office under an appointment which expired November 29, 1949.

IN THE NAVY

Vice Adm. Francis S. Low, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Logistics).

Rear Adm. John H. Cassady, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Air).

Vice Adm. William M. Fechteier, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Atlantic and United States Atlantic Fleet.

Rear Adm. Lynde D. McCormick, United States Navy, to be Vice Chief of Naval Operations in the Department of the Navy, and to have the grade, rank, pay, and allowances of a vice admiral while so serving under a Presidential designation.

Vice Adm. Robert B. Carney, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Second Task Fleet.

Vice Adm. John J. Bailentine, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Sixth Task Fleet.

Rear Adm. Joseph F. Jelley, Jr., Civil Engineer Corps, United States Navy, to be Chief of the Bureau of Yards and Docks in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Appendix

Multiple-Purpose Dams Fit in Development of Natural Resources

EXTENSION OF REMARKS
OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day
of Wednesday, January 4), 1950

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article written by me which was published in the January issue of the Farm and Ranch magazine with the Southern Agriculturist.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By ESTES KEFAUVER, United States Senator)

It has long been recognized that the water in the streams of our country represents a vast natural resource which should be developed on a comprehensive scale. Rivers have played a big part in the life of man since earliest times, when they provided food, in the form of fish and mussels, and a simple means of travel and transportation.

As man has increased his mastery over nature through engineering and technology, the possibilities of obtaining maximum benefits from flowing water have increased. Once developments were planned and carried out for a single purpose, such as navigation, or at most for two. Today engineering advances have made it possible to develop streams for many purposes. Such multiple development is, practically speaking, a product of the past decade and a half. But the advantages of such developments were realized long before. In 1909, during the administration of President Theodore Roosevelt, a National Conservation Commission headed by Gifford Pinchot made a comprehensive report on natural resources in the United States, in which it said:

"The broad plan already framed by statesmen and experts and approved by the Executive should be put in effect. It provides for a system of waterway improvement extending to all the uses of the waters and benefits to be derived from their control, including the abatement of floods for the benefit of navigation, the extension of irrigation, the development and application of power, the prevention of soil wash, the purification of streams for water supply, and the drainage and utilization of the waters from swamp and overflow lands.

It is clear that the men who framed this statement were sound in their conception of the possibilities for development of water resources. They were also, without doubt, somewhat ahead of their time. Actual realization of their ideas was still some years off.

Even in those days, however, plans were being made to accomplish more than one objective of water control by construction of single structures. Several projects in the West envisaged the damming of streams for storage of irrigation water and at the same time the production of electric power. Such

dams might be called dual-purpose dams. The damming of rivers for navigation, as on the Ohio River and other streams, had been carried on for years. These were single-purpose dams.

By the middle of 1920, and particularly after the 1927 flood of the Mississippi, it became apparent that flood control was an objective to which dams and reservoirs must be devoted. Previously, chief reliance had been placed in levees and similar works which averted damage at localized spots. At the same time, such works constricted the natural river channel in floodtime and often caused higher stages at other points along the river. Moreover, levees had been built higher and higher until they were reaching their maximum development, both from the standpoint of economic feasibility and safety. Each foot added to a levee not only added to the cost, but also increased the risk and damage in case the levee failed. Moreover, it was apparent that floods were often caused not by local rainfall and run-off, but were the result of waters falling on slopes hundreds of miles away.

Such considerations led inevitably, as public understanding grew, to the establishment of multiple-purpose projects which would carry out the objectives voiced in 1909 by the National Conservation Commission. The TVA project was the first in which the new concept was placed in effect on a major scale, and today the Tennessee and its tributaries still form the first and only entire large river system which has been brought under multiple-purpose control.

As such, this system of multiple-purpose dams is worthy of intensive study. On this river system, consisting of the Tennessee and its major tributaries, TVA has constructed 17 dams. In addition, it took over Wilson Dam at Muscle Shoals, built previously by the Government; it purchased four dams on the Tennessee system from a private company, and it worked out an agreement with the Aluminum Co. of America whereby its five major dams and reservoirs are operated as a part of a unified system. Thus the Tennessee River is controlled by a system of 27 major dams.

These dams, operated as a single system, control the run-off from an area of 41,000 square miles. They reduce flood heights during the rainy season, and they store water which is used during drier periods for maintaining the navigation channel and for producing power. Such a system is, of course, complex. It has to deal not only with a general weather cycle in the Valley, but with specific situations in limited localities.

The multiple-purpose system on the Tennessee achieves several purposes, and at bargain rates. Essentially it consists of two kinds of dams. On the main river, a series of dams creates a continuous chain of lakes from Paducah, Ky., to Knoxville, Tenn. On the tributary streams, high storage dams control the flow by storage and release of water at appropriate periods and seasons.

The system provides 11,000,000 acre-feet of storage for flood control which protects danger points in the Tennessee Valley and in the rich areas along the Ohio and Mississippi Rivers below the mouth of the Tennessee. The Tennessee River has been made navigable for modern towboats and barges of 9-foot draft for its entire 650-mile length. And at the same time, the system of dams pro-

duces a tremendous quantity of electric power—some 15,000,000,000 kilowatts during the last year, or 10 times as much as was produced in the same region in 1933.

These are the major purposes as defined in the TVA Act of 1933. Today, the flood-control benefits of the system are estimated at \$11,000,000 a year. Savings in transportation charges on automobiles, steel and iron products, wheat, corn, fertilizer, and many other items were estimated in 1948 at about four million, with nine million of such savings to be expected annually when traffic reaches mature development. The power produced by the system last year was sold for \$100,000,000. In addition there are subsidiary benefits, such as the development of a recreation industry which has attracted so far—in its infancy—an investment by States, counties, cities, and private individuals of nearly sixteen million. The lakes have attracted an increasing number of wild-fowl to the preserves which are spotted along their shores. Fishing has vastly increased. It has been found possible to so operate the reservoirs as to virtually eliminate the malaria hazard in areas where it once was a serious problem. States, cities, and industries are taking an increasing interest in stream sanitation in order to realize the greatest advantages from river development.

In operation, the system follows the annual cycle of rainfall and run-off. In the beginning of the flood season the reservoirs are drawn low so that they have space to store possible flood waters. As the danger of floods recedes in the spring, the reservoirs can be filled. Then, as the annual dry season makes itself felt in dwindling rainfall and run-off, the water stored in the reservoirs is released to maintain the level of the navigation channel and to produce power.

Thus the multiple-purpose system makes the most of one of the greatest of the natural resources in the Tennessee Valley, something which could never be done by piecemeal, single-purpose development of the stream flow. In the Tennessee Valley multiple-purpose developments provide a pioneering model showing the way to efficient development of water resources in other parts of the country where the streams are susceptible to similar treatment.

Agricultural Price Supports and the Brannan Farm Program

EXTENSION OF REMARKS
OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day
of Wednesday, January 4), 1950

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two editorials dealing with the agricultural price-support program and Secretary of Agriculture Brannan's views. The first, entitled "United States Price Props for

Farm Crops Dip, Survey Reveals," appeared in the St. Paul Dispatch of December 12, 1949. The second, entitled "Brannan's Warning," appeared in the St. Paul Pioneer Press of December 14, 1949.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Paul (Minn.) Dispatch of December 12, 1949]

UNITED STATES PRICE PROPS FOR FARM CROPS DIP, SURVEY REVEALS

WASHINGTON.—Government price supports for farm products are going down.

A United Press survey indicated today that support prices for most farm products will be lower next year for the second straight year.

The decline in 1950—as compared to the peak price-support year of 1948—probably will range from more than 50 percent in the case of flaxseed to about 3 to 5 percent more in the case of wheat and corn.

Prospects are that price props for the 1950 cotton crop will be down at least 7 percent from the 1948 support level. Furthermore, cotton plantings will be curtailed by Government production controls.

Egg supports also will be cut in 1950, perhaps as much as 20 percent from this year's level.

Even a small drop in supports will be felt in farmers' pocketbooks next year. Two years ago most farm commodities sold far above the support prices. But most farm commodities now are hugging the support level. Only Government price guaranties are holding them up.

There are three reasons why price props are being lowered:

1. The parity prices for farm products have declined. That is, the farmer's dollar now will buy more—about 4 percent more—than it did 24 months ago. Price supports are set as a percentage of parity to maintain the farmers' purchasing power. When parity declines from one year to the next, the dollars-and-cents figures at which farm prices are pegged automatically drops.

2. In the case of some products the Government has deliberately slashed supports to hold down surplus production or to stimulate consumption through lower prices. This was down this year in the case of potatoes, flaxseed, beans, peas, and naval stores (gum turpentine and rosin).

3. New farm legislation in 1950 for the first time in 8 years strips mandatory high supports from hogs, chickens, and eggs. The Government plans to reduce egg props in hopes of curtailing production and getting people to eat more. It has had to buy more than 2,000,000,000 eggs to support prices this year. Prospects are that chicken and turkey supports also will be cut. There has been no indication as to where supports will be set for hogs or dairy products.

However, bucking the downward trend in supports are tobacco, rice, and wool. Prospects are that supports will be higher for these products next year. New farm legislation boosts the parity price for these products in 1950 and requires that supports be fixed at about the same percentage of parity as in the past.

The following table shows how farm supports are dropping. The support prices shown for 1950 are only preliminary and unofficial estimates.

One of the assumptions on which the estimates are based is that farm production and living costs will not drop in 1950. Actually, the Agriculture Department predicts these costs will drop slightly. If so, actual 1950 support prices would be lower than indicated in this price support table:

	1948	1949	1950
Commodity:			
Corn.....bushel	\$1.44	\$1.40	\$1.39
Wheat.....do	2.00	1.95	1.91
Cotton.....baic	.2879	.2723	.2678
Rice.....do	1.84	1.78	2.03
Peanuts.....pound	.108	.105	.1035
Wool.....do	.423	.423	.448
Milk.....100 pounds	3.59	3.51	-----
Butter ¹pound	.634	.620	-----
Potatoes.....bushel	1.67	1.08	.96
Eggs ²dozen	.488	.470	-----
Hogs (during 6 months ending March 31) 100 pounds	15.57	16.38	15.84
Chickens ²pound	.256	.250	-----
Turkeys.....do	.323	.310	-----
Sweetpotatoes ²bushel	1.98	1.72	-----
Dry beans ² 100 pounds	7.61	6.55	-----
Soybeans ²bushel	2.18	2.09	-----
Dry peas ² 100 pounds	4.80	3.12	-----
Cottonseed ²ton	0	46.50	-----
Turpentine and rosin unit	131.58	114.08	82.27
Flaxseed ¹ (at Minneapolis).....bushel	6.00	3.99	2.82
Barley ²do	1.15	1.09	-----
Grain sorghums ² 100 pounds	2.31	2.09	-----
Oats ²bushel	1.29	1.27	-----
Honey ⁴do	0	0	-----
Mohair ⁴pound	0	0	-----
Tung nuts ⁴ton	0	0	-----
Tobacco:			
Flue-cured.....pound	.439	.425	.442
Burley.....do	.424	.403	.444
Fire-cured.....do	.318	.302	.333
Dark air-cured.....do	.283	.269	.296
Maryland.....do	.439	.4195	.526

¹ Supports can be raised or lowered in 1950 within a range of 75 to 90 percent of parity. If estimated parity price remains unchanged, 1950 supports will be set somewhere between \$3.29 to \$3.94 for milk and 60.8 to 72.6 cents for butter.

² Supports can be eliminated in 1950 or set as high as current 90 percent of parity. If estimated parity prices remain unchanged, highest possible 1950 support level would be about 45 cents for eggs; an average of \$16.92 for hogs; 25.9 cents for chickens; 33.4 cents for turkeys; \$2.27 for soybeans; and \$59.76 for cottonseed.

³ Supports can be eliminated in 1950 or set as high as 90 percent of parity. If supports are fixed at the same percentage of parity as they were this year and estimated parity price doesn't change, 1950 supports would be barley \$1.02 (72 percent); grain sorghums, \$1.93 (70 percent); oats, 63.7 cents (70 percent); rice, \$1.08 (72 percent); sweetpotatoes \$1.82 (80 percent); dry beans, \$6.74 (80 percent) and dry peas, \$3.34 (60 percent).

⁴ Must be supported in 1950. If present estimated parity prices remain unchanged, the maximum and minimum levels at which supports can be fixed are 10 to 15 cents a pound for extracted honey; \$60 to \$90 a ton for tung nuts; and 39.6 to 59.4 cents a pound for mohair.

[From the St. Paul (Minn.) Pioneer Press of December 14, 1949]

BRANNAN'S WARNING

Secretary of Agriculture Brannan, in his address here last night, has put the position of agriculture before the Nation in a manner that should clear up much misunderstanding and will help to define the problem. In doing so he has performed a public service.

What Secretary Brannan has pointed out is that the classic and historical pattern of agricultural deflation is now repeating itself, although fortunately in much less violent and injurious fashion than in similar economic situations of the past. American experience is that agriculture takes a price decline before other segments of the economy and is the first to feel the effects of a post-war, post-inflationary readjustment.

A great deal of political ill-will has been aroused against agriculture in the populous sections of the country because of the price support policy, with its heavy burden of public costs, during a period of high consumer prices.

What Secretary Brannan shows is that despite these price supports, the net income of the farmers is already down 20 percent from 1947. It may decline another 15 percent next year. What reduction there has been in the cost of food to the consumer has been principally at the farmer's expense.

This is true, and is usually true, because farm prices are the least artificial, and the most sensitive to the law of supply and demand, of any major group of prices in the economy. While the other costs of labor, hauling and manufacture and distribution that go into the final price of food have remained high, farm prices have been declining quite sharply. But the final price of food does not reflect this decline in full because the cost of the crop as it leaves the farm is, in most cases, a small part of the total cost.

Had it not been for the price supports, the misfortune of agriculture would have been severe. And it must be remembered that misfortune, when it hits one great branch of economy, does not stand still but spreads throughout the Nation. As Secretary Brannan observed, "Haven't we seen before what the loss of agricultural purchasing power can mean in terms of declining sales, unemployment, and unless it is checked in full-scale national depression?"

Hence it is of general national interest to see that the agricultural industry not again become the weak link in prosperity. There is no unanimity of opinion as to the mechanics of a permanent farm program. Secretary Brannan has his own plan. It is highly controversial. The new farm act of 1949, while perhaps an improvement over the Aiken Act, can hardly be scored as more than a hastily improvised stopgap.

Apart from the problem of method, Secretary Brannan has done well in pointing out to the Nation as a whole that it has a stake in farm prosperity, that there is a cloud over the farm scene, and that what is done to stop the slump in farm income is done not just for the farmer but for everyone.

Removal of Restrictions on Margarine

EXTENSION OF REMARKS OF

HON. J. WILLIAM FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day of Wednesday, January 4), 1950

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address which I delivered last night on America's Town Meeting of the Air entitled "Should the Senate Remove Restrictions on Margarine Now?"

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SHOULD THE SENATE REMOVE RESTRICTIONS ON MARGARINE NOW?

The only crime that margarine is guilty of is that it is cheap. The only reason that it is taxed and its sale restricted by law is that it is cheaper than butter. Margarine is made from the products of American farms, soybean oil, cottonseed oil, and milk. It is colored just as butter is colored—by a harmless artificial ingredient.

All that we are asking is that both of these perfectly legitimate, pure, nutritious food products be treated alike. If butter has the right to be colored freely—then so should margarine have that right.

Margarine sells on the average for one-half the price of butter. It is the poor man's spread. To tax and restrict its sale is to levy a further heavy burden on the backs of those who can least afford it, for the enrichment of a relatively few butter producers.

The fight between butter manufacturers and margarine manufacturers is only incidental. The 150,000,000 consumers of this country are the ones vitally interested in freeing margarine from its shackles.

Every time the people have a chance to speak on this issue, they vote for freedom of margarine. Only last November the people of Ohio—incidentally one of the greatest dairy States—the people of Ohio in a direct election spoke up for free margarine by a half-million majority. The House of Representatives twice has voted overwhelmingly by 3 to 1 to free margarine. If the butter interests will permit the Senate to vote—without confusing the issue with irrelevant amendments—the Senate, too, will express the will of the people.

The restrictions and red tape imposed upon the distributors of margarine are more burdensome than the 10-cent-a-pound tax. Most retailers refuse to handle colored margarine because the bookkeeping is similar to that of OPA days.

Butter is the only product I know of which insists that it owns a color and that its competitor can't use it.

What would you think if cotton manufacturers said rayon or nylon shirts or dresses could not be white, unless they paid a 30-percent tax? Would it be reasonable for leather manufacturers to prohibit artificial leather colored brown?

Imitation in color, in shape, in use is the essence of competition. Every new product of science to some degree imitates and supplants some existing product. Competition and change are characteristic of, and inherent in, a dynamic, progressive society.

Do any of you really believe that we should try to freeze the status quo upon our Nation by arbitrary legislation? I don't think so.

The butter people will tell you that there is great danger of fraud—that if the margarine restrictions are removed, consumers will not be able to distinguish margarine from butter. In 1886, when the antimargarine laws started, this argument carried some weight. In those days we did not have the pure food and drug laws. We do today, and it is those laws which require proper labeling. Those laws protect the consumer against impure or fraudulent products, rather than the taxes and regulations which single out margarine for punishment.

The butter people will tell you that repeal of these laws will ruin the dairy industry. But there is plenty of room in our economy for both margarine and butter. In fact, there is a serious shortage of table fats in the diets of many poor people, which the antimargarine laws accentuate by increasing its cost and by restricting its sale.

In Senator WILEY's own great dairy State of Wisconsin, butter represents a very small portion of the dairy farmer's income. In 1948, for instance, Wisconsin dairy farmers received only 1.77 percent of their income from the sale of butter. The reason for this is that butter is the least profitable outlet for milk.

There is no good argument for punitive, discriminatory legislation against a good food.

in the Appendix of the RECORD an editorial entitled "Gompers Centennial," published in the Washington Star of January 9, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOMPERS CENTENNIAL

The actual one hundredth anniversary of the birth of Samuel Gompers will not occur until January 27, but the centennial celebration already is well under way. This interests organized workers especially, yet it by no means is limited to them. The great American Federation of Labor president was a national figure in the full sense of the phrase and even now, though he has been dead more than a quarter century, his influence still is felt throughout the Nation.

Mr. Gompers himself appreciated his place in the history of his times. Washingtonians remember him not simply as the head of the A. F. of L., but also as a publicist, a social philosopher, with ideas and opinions on everything under the sun. The little Dutch Jewish immigrant boy of 1863 grew to maturity in a world rapidly developing new issues, new conflicts, which claimed his attention and which he rarely, if ever, attempted to avoid. Throughout his career, he kept his mind and his heart open to what was going on about him. He was exceptionally sensitive to economic, social, and political developments, but he likewise was receptive to happenings in such distant fields as music and literature, drama and painting. The major enthusiasm of his life, however, was the cause of solidarity among working people. A cobbler and then a cigar maker, he realized that the individual laborer or craftsman was handicapped by his individuality. In order to bargain successfully at all it was necessary to bargain collectively. So Mr. Gompers applied himself to the task of discovering competent union leadership wherever it could be found, and he set a personal example for the young lieutenants he discovered. Thus the American Federation of Labor became a reflection of his conceptions, his methods, his objectives.

Perhaps the most important test of his whole life was that which emerged with America's participation in the First World War. Thousands of American working men and working women hated the Kaiser but were opposed to the United States being involved in the struggle to defeat him. Mr. Gompers at a tense psychological moment chose the patriotic course. With all the ardor of his soul he threw himself into a campaign for national unity in the face of popular pacifism. He toured the country speaking at meetings, talking privately with local officers, arguing with stubborn critics. The effort was strenuous, but it was continued as long as there was need for it. His part in achieving victory in 1918 is one reason why the Government is bringing out a commemorative postage stamp for Mr. Gompers on his hundredth birthday anniversary.

in the Appendix of the RECORD an address delivered by Dr. John R. Steelman, assistant to the President, before the third National Men of Science and Industry dinner in Washington, D. C., December 2, 1949, on the subject "The National Budget of Scientific Work for 1950."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am greatly honored to be with you tonight and to have this opportunity of speaking to so distinguished a group in the field of science.

I had the privilege of meeting with you once before. Since that time I have given considerable thought to some aspects of our science programs and their relation to the public policy.

Within our lifetime science has provided the key to greater material progress than had been made within any period of hundreds of years before. Science will certainly alter the lives of mankind even more in the years ahead.

The importance of science to our national life has been dramatized for all Americans by the atom bomb and the tremendous potentialities of atomic power, but on a thousand less publicized fronts the researcher and the technician are working together in the search for truth. Each new discovery, each new germ of knowledge acquired makes it easier to push further into the deep recesses of the unknown in our search for scientific truths.

As the President said before a distinguished group last year, the knowledge that we now have is but a fraction of the knowledge that we must get, whether for peaceful purposes or national defense. He has expressed the faith that when more of the people of the world have learned the ways of thought of the scientist, we shall have better reason to expect lasting peace and a fuller life for all.

It is fitting, therefore, that we now consider the direction we are taking in utilizing the great reservoir of scientific knowledge already at our disposal and the paths we must follow to acquire the further knowledge that we must have.

Just as the work of the scientist is better understood today than ever before, so is it becoming more evident—and more important—that the pursuit and application of scientific knowledge must be a joint enterprise in which the institutions of higher learning, the private foundations, industry and government cooperate, each undertaking its proper role. We gave the world an example of such teamwork during the war—and without this teamwork, as we all know, the development of the weapons that brought us victory could not have been accomplished.

There may be differences of opinion as to how far in peacetime the Federal Government should go in directly supporting research, both basic and applied, but there is a general realization, growing out of the war, that scientific research is a vital element of public policy and must be supported and encouraged by the Government.

The responsibility of the Government in this connection is threefold. First, we must respect and guard freedom of research for all our scientists, whether they are directly employed by the Government or whether they work in the universities or industry. Second, the Government should continue to encourage private research, and where necessary to support promising research. Third, as the chief supporter of scientific research today, the Government must be prepared at all times to justify its program on the basis of soundness of content, balance of emphasis, and economy of manpower and money. This can be done only by judging the Gov-

The National Budget of Scientific Work for 1950

EXTENSION OF REMARKS OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES
Wednesday, January 11 (legislative day
of Wednesday, January 4), 1950

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted

Gompers Centennial

EXTENSION OF REMARKS OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES
Wednesday, January 11 (legislative day
of Wednesday, January 4), 1950

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed

ernment's efforts against something which is missing today, and which we must together supply—namely, a genuine national policy and a program for scientific research. There is a close and vital relationship between these factors which must be fully recognized if science is to serve our needs.

The safeguarding of principles of freedom of research means more than making a scientist safe from political harassment, important as that is. We all know that good men of science have come in for more than their share of such harassment since the war, and they, as well as all Americans, deserve to be protected from unwarranted attack. At the same time, we must recognize that today, more than ever before, our Nation's security depends in large measure on the security of our scientific effort.

There should be no grave incompatibility between the enforcement of necessary security measures and the safeguarding of the rights of scientists to engage in free and independent research. I do not think our policy in this regard can be better stated than it was stated, first in the Bush report, "Science, the Endless Frontier," and again in the reports which I made to the President as chairman of the President's Scientific Research Board. We said, "Scientific progress on a broad front results from the free play of intellects, working on subjects of their own choice, in the manner dictated by their curiosity for exploration of the universe. Freedom of inquiry must be preserved under any plan for government support of science."

The question of providing funds and adequate facilities for research involves more than determining how much money shall be spent. Already the Federal Government is spending at the rate of more than a billion dollars annually on science projects. The estimated expenditures for fiscal year 1950 which ends next June 30 are for \$1,380,000,000, including money for the construction of facilities for scientific work. I might point out that excluding the expenditures of the Atomic Energy Commission, our expenditures for science this year, are still close to \$1,000,000,000, and that excluding the science expenditures of the Military Establishment, we are spending as much for other purposes as we are spending on atomic energy.

In this connection I wish to point out a fact that all of you know but many others perhaps do not stop to realize—that medical and biological studies, to use an example, which are made by the armed services benefit civilians as well, just as many wartime discoveries, utilized at first by the military, now are adding to the comforts of life for all.

The impact of the billion dollars spent by the Federal Government on research and development projects is felt beyond the executive departments, for about 30 percent of the funds are spent off-site. In the 1950 budget off-site obligations run to a total of \$425,000,000. This is money allocated both to institutions of higher education and to industry for a variety of purposes. In previous years, also, a sizable portion of the research budget was spent in non-Government laboratories. In 1948, to use a single example, when our Federal research and development budget totaled a little under \$1,000,000,000, we allocated nearly \$73,000,000, or about \$1 out of every 12, to the institutions of higher learning. And in 1949, it is estimated, expenditures for Federal research at colleges and universities were approximately \$100,000,000, and this year the amount is larger still.

Federal research funds constitute a substantial portion of the research budget in many institutions, often averaging well over 50 percent of their entire research budget. Since federally sponsored research is largely in the natural sciences, the funds allocated to the schools have had the effect of greatly increasing the research in these fields.

The impact of Federal programs has further affected the work done in the institutions of higher learning by broadening the base of research. In prewar years, when college research grants came largely from private sources, the program pattern was greatly influenced by the direction of industrial research. Many schools feel today that while Federal research funds available to them are not actually the cause of a trend toward a broader research effort, these grants have been of assistance in developing a trend that had already started.

Industry, of course, has benefited dollar-wise even more than the colleges from the Federal research and development budget. This year alone between a quarter of a billion and three hundred million Federal research dollars will be spent in industrial laboratories. Today the operating burden of the development of atomic energy rests primarily on industry. In fact, the entire program, except for top policy direction, is carried on through industry and institutions of higher education.

Likewise, the development and advancement of aviation in this country have been made by an industry strongly supported and encouraged by the Government, both in war and peace.

It seems to me that the record of joint interest which these examples afford provides us with the answer to the oft-asked question of who shall promote science—government, industry, or the universities. The answer cannot be "either, or," but "all together" in the pursuit of our common objectives.

But our problem is not only who, but how much. The expenditures being made out of tax funds for research and development today are at a high level not only because scientific advances of the past generation, and particularly during the war, have given us a keener realization of the importance of science to our national survival and happiness as individuals, but because of current defense requirements.

The Bush report pointed out effectively that there must be more—and more adequate—military research in peacetime. But at the time this report was made, there was no public knowledge of our atomic-energy program, and even considerably later no one foresaw that this program would be of the magnitude we hold essential today, nor that the programs of the Office of Naval Research would remain at such a high level, nor that other military research would require the expenditures that we now consider to be necessary.

Prior to the war, most of the research done in this country was concentrated in a few large laboratories. The work in some of the larger universities and colleges was financed almost entirely from endowment gifts and foundation grants. In industry, a relatively small number of large companies employed a high percentage of all industrial research workers. While to some extent this situation remains true today, both in the schools and in industry, the increase in the government's scientific budget has brought about a great increase in research together with a mounting national expenditure.

Few would question the desirability of research expenditures of the magnitude now carried in the Federal budget. But it is a matter of concern to all of us that as our Federal budget for science increases—and it has increased each year since the war—we must get full value for the money spent.

Only 20 years ago the total private and Governmental expenditures for research were about 166 million dollars. By 1940 the amount so spent was \$345,000,000, and today the Federal expenditures alone are nearly \$1,400,000,000.

Prior to the war industry paid a high percentage of the cost of all research. In 1930, for instance, the Federal Government provided 14 cents of the research dollar, the

universities 12 cents, and industry 70 cents. During the war, understandably, this situation was reversed, with the Federal Government contributing 83 cents of the science research dollar.

This is the century of science. Never before in history has science so influenced human conduct. Never before have so many millions of people held science in such respect—and fear, as today. Our research budget of a billion dollars plus is itself dramatic emphasis of the vital role of scientific research in the shaping and conduct of public policy. For these reasons, we must assume that the Federal contribution to research and development will continue to be large.

The report of the President's Scientific Research Board gave estimates of the growth that will be necessary. It stated that by 1957 as a Nation—and that means not only the Federal Government, but the colleges and industry, all together—should be spending:

At least four times as much as in 1947 on basic research; at least three times as much on health and medical research, and at least twice as much as in 1947 on nonmilitary development.

These targets are high. There is a real question as to how much further the Government can go, under the existing critical budget pressures, in extending its support. There is a growing belief that the Government should not greatly step up its participation in the Nation's research effort until the total budget for research, private as well as public, can be appraised and redefined as to objectives and resources. But I believe strongly that the attainment of our goals of maximum employment and maximum productivity, based upon expanded business investment, will require a vigorous research and development program supported by private capital. New industries, new products, and new jobs must be created to maintain our prosperity. The Government's research program is heavily burdened by national defense needs, and in consequence the balance of its research funds are very largely limited to filling critical gaps in the nondefense areas. This situation is not conducive to the achievement of the balanced research program which the Nation requires for its human and economic well-being, and for the conservation and development of its natural resources. Government alone cannot do the whole job. I question whether, in the absence of an extraordinarily high peacetime national-defense program, there would exist sufficient public support for a Federal research program on a level comparable to what we now have. We must think ahead to the decisions which will confront us when more stable conditions prevail. I regard this problem as one of the really important issues of public policy facing us for the future.

Steps toward the development and integration of a national defense policy were made through the studies of the President's Scientific Research Board. The report made to the President considered the interrelation of Federal and non-Federal research and development, and contained recommendations for coordinating the Federal program for greater efficiency, and for more effective use of national scientific resources.

The report reemphasized the need for establishment of a National Science Foundation, which the President has repeatedly urged the Congress to authorize.

It is hoped that when the Congress returns in January prompt attention will be directed to this long-overdue legislation. Next year should mark the creation of this important Foundation. I firmly believe that this would constitute the most far-reaching and important step we have taken in the field of science in the postwar world.

In the foundation we should have a focal point for appraising and evaluating our na-

tional research needs, and through its operations we could expect the evolution of a national policy and the shaping of a truly national research budget which would make it possible to relate the activities of Government, industry, and higher education on a more balanced basis than has been the case up to now.

Pending the establishment of the foundation, the Federal Government is improving the administration of its own research activities through the work of the Interdepartmental Science Committee, which is composed of representatives of the Executive agencies engaged in research. This committee is concerned in an advisory capacity with a variety of common problems facing Government research organizations, and only recently has transmitted to me a report outlining a suggested course of action to improve Federal practices in the field of research contracts and grants.

The committee is also concerned with problems of budgeting for the Federal research program, dissemination of information about the Federal research program, and scientific personnel in the Federal program.

We must as a Nation take steps to increase the support of basic research. The creation of the National Science Foundation would be an important step in this direction. The Foundation would be empowered to make grants to universities and to offer scholarships and other incentives to scientific activity.

Thus, many top-flight scientists would be encouraged to remain in the schools where they could engage in research in which they are interested and continue their role as teachers. In this way, we would provide for an increasing number of scientists for the future. Under present conditions, lack of trained manpower is one of the limiting factors in research.

This gap in our science program is one that is of increasing concern to all of us, for in the final analysis, the value of any science program is determined by the caliber of the scientists who are doing the job. Since the war there has been no index, anywhere, of the special skills of scientists in this country. Nor is there any accurate information as to the extent and character of the science manpower deficit.

The National Security Resources Board, of which I am acting chairman, strongly feels that appropriate steps should be taken to formulate a national policy on scientific manpower, and it may be that this action should not wait on the establishment of the National Science Foundation, which if it existed would be the logical agency to deal with this urgent problem.

There is some reason to believe that in many important fields the national supply of fully trained scientists is insufficient to meet our needs—particularly as they apply to national security under emergency conditions. It is unquestionably true that nearly every research organization in the country today has unfilled positions—and this situation prevails in universities and in industry as well as in government.

This country, to maintain a place of leadership in science, must be constantly alert to the problems of manpower shortages, must encourage the development of new scientists—involving years of training—and must encourage the sound distribution of scientists.

The most important way in which the Federal Government can promote industrial research, in which you are primarily interested, is to make possible a continuing stream of new scientific knowledge. Basic research such as the Foundation would foster provides the means. But this requires skilled manpower, even more than dollars. It is important, also, in any expansion or redirection of the Federal research program, that Govern-

ment activity be limited to fields of paramount public importance, which cannot adequately be carried on by private enterprise.

The intelligent and patriotic efforts of the men of science in industry, so well represented by this group tonight, have in large measure made possible our progress in science up to now.

Civilization owes an incalculable debt to the men who manage—and man—the large research programs. Many of them have names that are known around the world, but many more work in comparative anonymity that in nowise lessens their service to humanity.

As the President has said, it is to the scientists themselves that we owe the existence of our atomic-energy enterprise. And it is to the scientists, in industry and elsewhere, that we owe a wealth of knowledge that has made possible our war against disease, that has given us new products, new industries, more jobs—and the hope of still better things to come.

The common objective before us all—in industry, in the college, and in government—is the increase of human knowledge in order to promote the security and welfare of the Nation, and thus to help bring peace and happiness to people everywhere.

Last Year's Lynchings

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day of Wednesday, January 4), 1950

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an editorial entitled "Last Year's Lynchings," published in the Washington Star of January 9, 1950.

There being no objection, the editorial was ordered to be printed in the Record as follows:

LAST YEAR'S LYNCHINGS

The report of the Tuskegee Institute lists three lynchings in 1949. This seems to suggest a loss of ground in the fight against this racial crime, since there were but two lynchings reported in 1948 and only one in 1947. There are other factors, however, which bolster the hope that enlightened forces in the South are making progress in their determined efforts to extend to the Negro the same legal protection that is enjoyed by the white man.

For one thing, the 1949 Tuskegee report is open to some question. One of the offenses reported was unquestionably a lynching. An Irwinton, Ga., Negro was arrested on a charge of disturbing the peace. While in the custody of the arresting authorities, he was taken from jail by a mob and beaten to death. This clearly was a lynching within the commonly accepted meaning of the term.

There is room for doubt as to the classification of the two other offenses. In one case a Negro tenant farmer in Georgia was driving along a road in his wagon. Several white men in an automobile were unable to pass the wagon and, it is reported, accused the Negro of hogging the road. They dragged the farmer from his wagon and killed him. The other killing also occurred in Georgia. A Negro farmer objected to white men fishing in his pond without first obtaining permission. Later, he was found

dead with a number of bullet wounds in his body.

In both of these cases, a wanton crime was committed. But their classification as lynching is open to question. Had they occurred anywhere except in the South they would have been listed as murders, not as lynchings. These victims were not taken from jail or from the custody of police officials. There is no conclusive evidence in either case of the premeditated and organized mob action usually associated with lynchings. Had the victims been white men, they might have been beaten but probably would not have been killed. This, however, is not a certain basis for listing the crimes as lynchings rather than murders.

More important is the fact that in fourteen instances during the year attempted lynchings were frustrated. In one case the intended victim escaped by his own efforts. But in 13 others the would-be lynchings were turned back by the police officials.

This certainly is evidence of progress in the South. A few decades ago the police more often than not were apt to be indifferent to lynchings, if not active members of the lynch mob. But in 1949, in 13 out of 15 instances, they protected their prisoners from the lynchings. This is a fact that will be minimized by the politically minded advocates of a Federal antilynching law. But nevertheless it indicates that education and respect for the rights of Negroes are gaining in the Southern States, and that the vast majority of Southern white people are just as anxious as anyone else to wipe out the crime of lynching, once and for all.

Support for Margarine Legislation

EXTENSION OF REMARKS

OF

HON. J. WILLIAM FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day of Wednesday, January 4), 1950

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that a letter written by Mr. Harold A. Young, president of the National Cotton Council, urging support for the margarine legislation now pending, published in the Progress Bulletin of Memphis, Tenn., of January 1, 1950, be printed in the Appendix of the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

MARGARINE SUPPORT URGED AS FIGHT IN FINAL ROUND

Congress is reconvening in Washington today. And that immediately brings up a mighty important issue insofar as cotton is concerned. The issue I'm talking about is the margarine tax-repeal bill.

Probably all of us need some refreshing as to just where we stand on the matter of margarine legislation. Well, here is the picture as I get it:

Right now we are closer than ever before to getting something done about the unfair and un-American laws that are strangling and restricting the sales of the product which was the second biggest outlet for our cottonseed oil in 1949.

In 1949, the House, by an overwhelming 3 to 1 vote, passed H. R. 2023 which would repeal all the Federal taxes and license fees on both yellow and white margarine. The Senate Finance Committee reported the House bill with one very minor amendment.

WILL BE FIRST

Now, Senator SCOTT LUCAS, of Illinois, the Democratic majority leader in the Senate, has definitely promised that margarine legislation will be the first order of business in the new session.

In other words, we have reached the final round of the fight. And I don't have to tell anyone in the cotton industry that it is tremendously important that we win and win now.

For 63 years now we have seen margarine, which has become an increasingly great market for cottonseed and other vegetable oils, unjustly penalized by Federal laws which serve only to benefit one group of farmers at the expense of another. Frankly, I am getting pretty sick of being on the side that is being penalized. I think that in this respect, anyway, I can speak for every other cotton farmer as well as our friends who grow soy beans.

AREN'T ASKING PENALTY

We aren't asking that the dairy farmer be penalized through legislation. We don't believe in that. All we want is the privilege of selling our margarine—white and yellow—on a market where the consumer can make his choice without being swayed one way or the other by prices artificially elevated by taxes or by added labor requirements in coloring margarine.

All of us in the Cotton Belt know where our Senators stand on this issue. Most of them have gone on record as favoring margarine tax repeal. Now is the time for us to encourage them in their stand by telling them that we appreciate what they are trying to do for us and that we are backing them 100 percent.

This is our great opportunity to get a free and competitive market for our margarine. We must make the most of it.

HAROLD A. YOUNG.

Benefits Paid Minnesota War Vets Pass \$105,000,000

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day of Wednesday, January 4), 1950

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Benefits Paid Minnesota War Vets Pass \$105,000,000," published in the St. Paul Dispatch of January 6, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENEFITS PAID MINNESOTA WAR VETS PASS \$105,000,000

Minnesota war veterans and their dependents received more than \$105,000,000 in benefit payments through the Veterans' Administration in 1949.

This does not include more than ten million additional dollars spent to treat patients in veterans' hospitals and to administer the broad VA program.

Moreover, it does not include the \$84,000,000 World War II bonus now being paid by the State.

In a year-end report, E. R. Benke, manager of the Fort Snelling VA center, said today

that 1949 found most of Minnesota's World War II veterans back at full-time jobs.

Because of the continued return to normalcy, the VA during the year consolidated its offices and eliminated 679 employees from its work force.

The Fort Snelling center serves an estimated population of 346,000 veterans in 72 counties. Fifteen counties in western Minnesota are served by the VA office at Fargo. In all 87 counties in Minnesota there are an estimated 384,000 veterans—292,000 from World War II.

Benke said the major office changes during the year involved the abolition of branch-office functions at Fort Snelling last January and consolidation there last spring of VA offices formerly located in St. Paul and Minneapolis. The branch office was headquarters for VA divisions in five States.

Field offices throughout the State also were closed. The number of VA employees in Minnesota dropped from 2,918 as of December 31, 1948, to 2,239 as of December 31, 1949.

In the field of veterans activities, Benke's report showed that 20,898 former servicemen and women made initial application for education and training under the GI bill and public law 16 (the latter is for disabled veterans). In training at the end of the year were 43,919 veterans—29,821 in school studies, 6,451 taking on-the-job training, and 7,647 engaged in on-the-farm training.

Veterans made loans totaling \$39,817,190 under the GI bill during the year. Of the total, the VA guaranteed or insured \$18,816,027. Home loans were predominant with 5,503 veterans receiving \$37,918,006 from the lenders; 285 veterans made business loans for \$851,435, and another 256 veterans received farm loans totaling \$1,047,749.

Readjustment allowances, which for most veterans expired last July, were paid to 18,904 veterans to the tune of \$10,336,702.

Applications for disability compensation and pension were filed for the first time by 3,205 veterans. At the end of the year, 47,156 veterans were receiving disability payments and more than 10,100 dependents were drawing death compensation and pension payments.

Private doctors and dentists, reimbursed by the VA on a fee basis, handled nearly 84,000 out-patient medical and dental examination and treatment cases for veterans with service-connected disorders.

These included 54,000 medical treatments, 6,924 medical examinations, 14,000 dental treatments, and 8,934 dental examinations.

The VA clinic at Fort Snelling gave more than 102,000 medical and dental examinations and treatments during the year. Included were 17,000 medical treatments, 75,969 medical examinations, 2,000 dental treatments, and 7,215 dental examinations.

More than 12,000 patients were treated and discharged from VA hospitals at Fort Snelling and St. Cloud in 1949. At present there are about 2,200 patients in these hospitals. A 7-story, 350-bed addition to the Fort Snelling Hospital is to be built this year, with construction to get under way in the spring.

The Fort Snelling insurance office, serving veterans in Minnesota, Iowa, the Dakotas, and Nebraska, reports that more than 20,000 veterans in the area reinstated GI insurance during the year. This brings to about \$1,750,000,000 the amount of protection afforded by the more than 284,000 policies now in force. Of the total, Minnesota veterans hold about 105,000 policies valued at an estimated \$700,000,000.

The VA expended about \$5,500,000 in salaries and other operating expenses to administer the \$105,000,000 direct-benefit program. This does not include expenses of the five-State insurance office or the hospital program.

Senator Scott W. Lucas

EXTENSION OF REMARKS
OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 11 (legislative day of Wednesday, January 4), 1950

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article regarding the majority leader, the Senator from Illinois [Mr. LUCAS], written by Mr. Sidney Shalett, and published in the January 14, 1950, issue of Collier's magazine.

I am informed by the Public Printer that the article is estimated to make 2½ pages of the RECORD, at an estimated cost of \$218.68.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SENATOR ALMOST GOT AN ULCER

(By Sidney Shalett)

MAJORITY LEADER SCOTT LUCAS WORKED HIMSELF INTO A TIZZY AND WOUND UP IN THE HOSPITAL, BUT CONCLUSIONS HE REACHED THERE GAVE HIM A FRESH START

Up until January 20, 1949, the chief claim to fame of SCOTT W. LUCAS, Democrat, Illinois, was the fact that he was a Member of the United States Senate. Some people outside of his own State had heard of him, for, during his 15 years in Congress, he had been far from a dummy; he even told off the late Franklin D. Roosevelt memorably on a couple of occasions, such as the effort (unsuccessful) to pack the Supreme Court and the effort (successful) to make Henry Wallace Vice President. But on the whole LUCAS was pretty much of a national unknown.

On the above-mentioned date, LUCAS, by unanimous choice of his party, became majority leader in the Senate of the Eighty-first Congress, which last year slugged its way through the longest and perhaps the bitterest peacetime congressional session in 27 years. From then on, SCOTT LUCAS was—and is—a national figure. Already he has graced radio and television programs with uncommon frequency; newsmen from national journals beseech his opinions on everything from politics to potato parity payments; a political columnist has likened him to Lincoln (a LUCAS hero); a society chronicler has written of "his handsome face rendered pleasantly haggard by grave responsibility," and the august New York Times, in its Sunday crossword puzzle written exclusively for intellectual giants, even has asked (No. 49, down) what President Truman's nickname is for the Senate majority leader. (Answer: "Scotty.") It now seems certain history is going to remember his name, though what history is going to say about him is still a matter for partisan debate.

One thing, however, is certain: If the final verdict on Majority Leader LUCAS' performance is favorable and he goes on, as his friends are predicting, to bigger things, he will be one of the few politicians, if not the only one, whose career was saved by a stomach ulcer. Even his best friends agree that, with the help of a GOP-Dixiecrat coalition, his own temper and some bum signals from quarterback Harry Truman, LUCAS was showing up as an ineffective if hard-fighting leader at the outset of his majority leadership. Early in the term, his ordinarily robust health temporarily deserted him and he wor-

H. R. 2023

Ordered to lie on the table and to be printed

1-11-50——C

1 “FINDINGS AND DECLARATION OF POLICY

2 “SEC. 8. (a) The Congress hereby finds that the prac-
3 tice of discriminating in employment against properly quali-
4 fied persons because of their race, religion, color, national
5 origin, or ancestry is contrary to the American principles
6 of liberty and of equality of opportunity, is incompatible with
7 the Constitution, forces large segments of our population into
8 substandard conditions of living, foments industrial strife
9 and domestic unrest, deprives the United States of the fullest
10 utilization of its capacities for production, endangers the
11 national security and the general welfare, and adversely
12 affects the domestic and foreign commerce of the United
13 States.

14 “(b) The right to employment without discrimination
15 because of race, religion, color, national origin, or ancestry
16 is hereby recognized as and declared to be a civil right of
17 all the people of the United States.

18 “(c) This Act has also been enacted as a step toward
19 fulfillment of the international treaty obligations imposed
20 by the Charter of the United Nations upon the United
21 States as a signatory thereof to promote ‘universal respect
22 for, and observance of, human rights and fundamental free-
23 doms for all without distinction as to race, sex, language, or
24 religion’.

1 “(d) It is hereby declared to be the policy of the
2 United States to protect the right recognized and declared
3 in subdivision (b) hereof and to eliminate all such dis-
4 crimination to the fullest extent permitted by the Constitu-
5 tion. This Act shall be construed to effectuate such policy.

6 “DEFINITIONS

7 “SEC. 9. As used in sections 7 to 21, inclusive, of this
8 Act—

9 “(a) The term ‘person’ includes one or more indi-
10 viduals, partnerships, associations, corporations, legal repre-
11 sentatives, trustees, trustees in bankruptcy, receivers, or any
12 organized group of persons and any agency or instrumentality
13 of the United States or of any Territory or possession
14 thereof.

15 “(b) The term ‘employer’ means a person engaged in
16 commerce or in operations affecting commerce having in his
17 employ fifty or more individuals; any agency or instru-
18 mentality of the United States or of any Territory or pos-
19 session thereof; and any person acting in the interest of an
20 employer, directly or indirectly.

21 “(c) The term ‘labor organization’ means any organ-
22 ization, having fifty or more members employed by any
23 employer or employers, which exists for the purpose, in
24 whole or in part, of collective bargaining or of dealing with

1 employers concerning grievances, terms, or conditions of
2 employment, or for other mutual aid or protection in con-
3 nection with employment.

4 “(d) The term ‘commerce’ means trade, traffic, com-
5 merce, transportation, or communication among the several
6 States; or between any State, Territory, or the District of
7 Columbia and any place outside thereof; or within the Dis-
8 trict of Columbia or any Territory; or between points in the
9 same State but through any point outside thereof.

10 “(e) The term ‘affecting commerce’ means in commerce,
11 or burdening or obstructing commerce or the free flow of
12 commerce.

13 “(f) The term ‘Commission’ means the National Com-
14 mission Against Discrimination in Employment, created by
15 section 12 hereof.

16 “(g) The term ‘Act’ as used in sections 7 to 21, inclu-
17 sive, means the National Act Against Discrimination in
18 Employment.

19 “EXEMPTIONS

20 “SEC. 10. This Act shall not apply to any State or
21 municipality or political subdivision thereof, or to any re-
22 ligious, charitable, fraternal, social, educational, or sectarian
23 corporation or association, not organized for private profit,
24 other than labor organizations.

1 “UNLAWFUL EMPLOYMENT PRACTICES DEFINED

2 “SEC. 11. (a) It shall be an unlawful employment
3 practice for an employer—

4 “(1) to refuse to hire, to discharge, or otherwise
5 to discriminate against any individual with respect to his
6 terms, conditions, or privileges of employment, because
7 of such individual's race, religion, color, national origin
8 or ancestry;

9 “(2) to utilize in the hiring or recruitment of indi-
10 viduals for employment any employment agency, place-
11 ment service, training school or center, labor organiza-
12 tion, or any other source which discriminates against
13 such individuals because of their race, religion, color,
14 national origin, or ancestry.

15 “(b) It shall be an unlawful employment practice for
16 any labor organization to discriminate against any individual
17 or to limit, segregate, or classify its membership in any way
18 which would deprive or tend to deprive such individual of
19 employment opportunities, or would limit his employment
20 opportunities or otherwise adversely affect his status as an
21 employee or as an applicant for employment, or would affect
22 adversely his wages, hours, or employment conditions, be-
23 cause of such individual's race, religion, color, national origin,
24 or ancestry.

1 “(c) It shall be an unlawful employment practice for
2 any employer or labor organization to discharge, expel, or
3 otherwise discriminate against any person, because he has
4 opposed any unlawful employment practice or has filed a
5 charge, testified, participated, or assisted in any proceeding
6 under this Act.

7 "THE NATIONAL COMMISSION AGAINST DISCRIMINATION
8 IN EMPLOYMENT .

9 “SEC. 12. (a) There is hereby created a commission to
10 be known as the National Commission Against Discrimina-
11 tion in Employment, which shall be composed of seven mem-
12 bers who shall be appointed by the President by and with
13 the advice and consent of the Senate. One of the original
14 members shall be appointed for a term of one year, one for
15 a term of two years, one for a term of three years, one for
16 a term of four years, one for a term of five years, one for a
17 term of six years, and one for a term of seven years, but
18 their successors shall be appointed for terms of seven years
19 each, except that any individual chosen to fill a vacancy shall
20 be appointed only for the unexpired term of the member
21 whom he shall succeed. The President shall designate one
22 member to serve as Chairman of the Commission. Any
23 member of the Commission may be removed by the Presi-
24 dent upon notice and hearing for neglect of duty or mal-
25 feasance in office, but for no other cause.

1 “(b) A vacancy in the Commission shall not impair
2 the right of the remaining members to exercise all the powers
3 of the Commission and three members thereof shall con-
4 stitute a quorum.

5 “(c) The Commission shall have an official seal which
6 shall be judicially noticed.

7 “(d) The Commission shall at the close of each fiscal
8 year report to the Congress and to the President concerning
9 the cases it has heard; the decisions it has rendered; the
10 names, salaries, and duties of all individuals in its employ and
11 the moneys it has disbursed; and shall make such further
12 reports on the cause of and means of eliminating discrimina-
13 tion and such recommendations for further legislation as may
14 appear desirable.

15 “(e) Each member of the Commission shall receive a
16 salary of \$10,000 a year.

17 “(f) The principal office of the Commission shall be
18 in the District of Columbia, but it may meet or exercise
19 any or all of its powers at any other place and may establish
20 such regional offices as it deems necessary. The Commis-
21 sion, may, by one or more of its members or by such agents
22 as it may designate, conduct any investigation, proceeding,
23 or hearing necessary to its functions in any part of the
24 United States. Any such agent designated to conduct a
25 proceeding or a hearing shall be a resident of the Federal

1 judicial circuit, as defined in sections 116 and 308 of the
2 Judicial Code, as amended (U. S. C. Annotated, title 28,
3 secs. 211 and 450), within which the alleged unlawful
4 employment practice occurred.

5 “(g) The Commission shall have power—

6 “(1) to appoint such agents and employees as it
7 deems necessary to assist it in the performance of its
8 functions;

9 “(2) to cooperate with regional, State, local, and
10 other agencies;

11 “(3) to pay to witnesses whose depositions are
12 taken or who are summoned before the Commission or
13 any of its agents the same witness and mileage fees as
14 are paid to witnesses in the courts of the United States;

15 “(4) to furnish to persons subject to this Act such
16 technical assistance as they may request to further their
17 compliance with this Act or any order issued there-
18 under;

19 “(5) upon the request of any employer, whose
20 employees or some of them refuse or threaten to refuse
21 to cooperate in effectuating the provisions of this Act,
22 to assist in such effectuation by conciliation or other
23 remedial action;

24 “(6) to make such technical studies as are ap-
25 propriate to effectuate the purposes and policies of this

1 Act and to make the results of such studies available to
2 interested governmental and nongovernmental agencies;
3 and

4 “(7) to create such local, State, or regional ad-
5 visory and conciliation councils as in its judgment will
6 aid in effectuating the purpose of this Act, and the Com-
7 mission may empower them to study the problem or
8 specific instances of discrimination in employment be-
9 cause of race, religion, color, national origin, or ancestry
10 and to foster through community effort or otherwise
11 good will, cooperation, and conciliation among the groups
12 and elements of the population, and make recommenda-
13 tions to the Commission for the development of policies
14 and procedures in general and in specific instances.
15 Such advisory and conciliation councils shall be com-
16 posed of representative citizens residents of the area
17 for which they are appointed, serving without pay, but
18 with reimbursement for actual and necessary traveling
19 expenses; and the Commission may make provision for
20 technical and clerical assistance to such councils and for
21 the expenses of such assistance.

22 “PREVENTION OF UNLAWFUL EMPLOYMENT PRACTICES”

23 “SEC. 13. (a) Whenever a sworn written charge has
24 been filed by or on behalf of any person claiming to be

1 aggrieved, or a written charge has been filed by a member
2 of the Commission, that any person subject to the Act has
3 engaged in any unlawful employment practice, the Commis-
4 sion shall investigate such charge and if it shall determine
5 after such preliminary investigation that probable cause exists
6 for crediting such written charge, it shall endeavor to elimi-
7 nate any unlawful employment practice by informal methods
8 of conference, conciliation, and persuasion. Nothing said or
9 done during such endeavors may be used as evidence in any
10 subsequent proceeding.

11 “(b) If the Commission fails to effect the elimination
12 of such unlawful employment practice and to obtain volun-
13 tary compliance with this Act, or in advance thereof if cir-
14 cumstances so warrant, it shall cause a copy of such written
15 charge to be served upon such person who has allegedly
16 committed any unlawful employment practice, hereinafter
17 called the respondent, together with a notice of hearing
18 before the Commission, or a member thereof, or before a
19 designated agent, at a place therein fixed, not less than ten
20 days after the service of such charge.

21 “(c) The member of the Commission who filed a
22 charge shall not participate in a hearing thereon or in a trial
23 thereof.

24 “(d) At the conclusion of a hearing before a member
25 or designated agent of the Commission the entire record

1 thereof shall be transferred to the Commission, which shall
2 designate three of its qualified members to sit as the Com-
3 mission and to hear on such record the parties at a time and
4 place to be specified upon reasonable notice.

5 “(e) All testimony shall be taken under oath.

6 “(f) The respondent shall have the right to file a veri-
7 fied answer to such written charge and to appear at such
8 hearing in person or otherwise, with or without counsel, to
9 present evidence and to examine and cross-examine witnesses.

10 “(g) The Commission or the member or designated
11 agent conducting such hearing shall have the power reason-
12 ably and fairly to amend any written charge, and the re-
13 spondent shall have like power to amend its answer.

14 “(h) Any written charge filed pursuant to this section
15 must be filed within one year after the commission of the
16 alleged unlawful employment practice.

17 “(i) If upon the record, including all the testimony
18 taken, the Commission shall find that any person named in
19 the written charge has engaged in any unlawful employment
20 practice, the Commission shall state its findings of fact and
21 shall issue and cause to be served on such person an order
22 requiring him to cease and desist from such unlawful em-
23 ployment practice and to take such affirmative action, includ-
24 ing reinstatement or hiring of employees, with or without
25 back pay, as will effectuate the policies of the Act. If upon

1 the record, including all the testimony taken, the Commis-
2 sion shall find that no person named in the written charge
3 has engaged or is engaging in any unlawful employment
4 practice, the Commission shall state its findings of fact and
5 shall issue an order dismissing the said complaint.

6 “(j) Until a transcript of the record in a case shall
7 have been filed in a court, as hereinafter provided, the Com-
8 mission may at any time, upon reasonable notice and in
9 such manner as it shall deem proper, modify or set aside,
10 in whole or in part, any finding or order made or issued by it.

11 “(k) The proceedings held pursuant to this section
12 shall be conducted in conformity with the standards and
13 limitations of sections 5, 6, 7, and 8 of the Administrative
14 Procedure Act (Public Law 404, Seventy-ninth Congress,
15 June 11, 1946).

16 “JUDICIAL REVIEW

17 “SEC. 14. (a) The Commission shall have power to
18 petition any circuit court of appeals of the United States
19 (including the Court of Appeals of the District of Columbia)
20 or, if the circuit court of appeals to which application might
21 be made is in vacation, any district court of the United
22 States (including the Supreme Court of the District of
23 Columbia) within any circuit wherein the unlawful employ-
24 ment practice in question occurred, or wherein the respond-
25 ent transacts business, for the enforcement of such order

1 and for appropriate temporary relief or restraining order,
2 and shall certify and file in the court to which petition is
3 made a transcript of the entire record in the proceedings,
4 including the pleadings and testimony upon which such
5 order was entered and the findings and the order of the
6 Commission. Upon such filing, the court shall conduct
7 further proceedings in conformity with the standards, pro-
8 cedures, and limitations established by section 10c and 10e
9 of the Administrative Procedure Act.

10 “(b) Upon such filing, the court shall cause notice
11 thereof to be served upon such respondent and thereupon
12 shall have jurisdiction of the proceeding and of the question
13 determined therein and shall have power to grant such
14 temporary relief or restraining order as it deems just and
15 proper and to make and enter upon the pleadings, testimony,
16 and proceedings set forth in such transcript a decree en-
17 forcing, modifying, and enforcing as so modified, or setting
18 aside in whole or in part the order of the Commission.

19 “(c) No objection that has not been urged before the
20 Commission, its member, or agent shall be considered by
21 the court, unless the failure or neglect to urge such objection
22 shall be excused because of extraordinary circumstances.

23 “(d) If either party shall apply to the court for leave
24 to adduce additional evidence and shall show to the satis-
25 faction of the court that such additional evidence is material

1 and that there were reasonable grounds for the failure to
2 adduce such evidence in the hearing before the Commission,
3 its member, or agent, the court may order such additional
4 evidence to be taken before the Commission, its member,
5 or agent and to be made a part of the transcript.

6 “(e) The Commission may modify its findings as to
7 the facts, or make new findings, by reason of additional
8 evidence so taken and filed, and it shall file such modified
9 or new findings and its recommendations, if any, for the
10 modification or setting aside of its original order.

11 “(f) The jurisdiction of the court shall be exclusive and
12 its judgment and decree shall be final, except that the
13 same shall be subject to review by the appropriate circuit
14 court of appeals, if application was made to the district
15 court as hereinafter provided, and by the Supreme Court
16 of the United States upon writ of certiorari or certification
17 as provided in sections 239 and 240 of the Judicial Code, as
18 amended (U. S. C., title 28, secs. 346 and 347).

19 “(g) Any person aggrieved by a final order of the
20 Commission may obtain a review of such order in any cir-
21 cuit court of appeals of the United States in the circuit
22 wherein the unlawful employment practice in question was
23 alleged to have been engaged in or wherein such person
24 transacts business, by filing in such court a written petition
25 praying that the order of the Commission be modified or

1 set aside. A copy of such petition shall be forthwith served
2 upon the Commission and thereupon the aggrieved party
3 shall file in the court a transcript of the entire record in the
4 proceeding certified by the Commission, including the plead-
5 ings and testimony upon which the order complained of was
6 entered and the findings and order of the Commission. Upon
7 such filing, the court shall proceed in the same manner as
8 in the case of an application by the Commission under sub-
9 section (a), and shall have the same exclusive jurisdiction
10 to grant to the petitioner or the Commission such temporary
11 relief or restraining order as it deems just and proper, and
12 in like manner to make and enter a decree enforcing, modi-
13 fying, and enforcing as so modified, or setting aside in whole
14 or in part the order of the Commission.

15 “(h) Upon such filing by a person aggrieved the re-
16 viewing court shall conduct further proceedings in conformity
17 with the standards, procedures, and limitations established by
18 sections 10a and 10b of the Administrative Procedure Act.

19 “(i) The commencement of proceedings under subsec-
20 tion (a) or (g) of this section shall not, unless specifically
21 ordered by the court, operate as a stay of the Commission’s
22 order.

23 “INVESTIGATORY POWERS

24 “SEC. 15. (a) For the purpose of all investigations,
25 proceedings, or hearings which the Commission deems neces-

1 sary or proper for the exercise of the powers vested in it by
2 this Act, the Commission, or any member thereof, shall
3 have power to issue subpoenas requiring the attendance and
4 testimony of witnesses and the production of any evidence
5 relating to any investigation, proceeding, or hearing before
6 the Commission, its member, or agent conducting such inves-
7 tigation, proceeding, or hearing.

8 “(b) Any member of the Commission, or any agent
9 designated by the Commission for such purposes, may admin-
10 ister oaths, examine witnesses, and receive evidence.

11 “(c) Such attendance of witnesses and the production
12 of such evidence may be required, from any place in the
13 United States or any Territory or possession thereof, at any
14 designated place of hearing.

15 “(d) In case of contumacy or refusal to obey a subpoena
16 issued to any person under this Act, any district court of
17 the United States, or the United States courts of any Terri-
18 tory or possession, or the Supreme Court of the District of
19 Columbia, within the jurisdiction of which the investigation,
20 proceeding, or hearing is carried on or within the jurisdic-
21 tion of which said person guilty of contumacy or refusal to
22 obey is found or resides or transacts business, upon appli-
23 cation by the Commission shall have jurisdiction to issue to
24 such person an order requiring him to appear before the
25 Commission, its member, or agent, there to produce evidence

1 it so ordered, or there to give testimony relating to the in-
2 vestigation, proceeding, or hearing.

3 “(e) No person shall be excused from attending and
4 testifying or from producing documentary or other evidence
5 in obedience to the subpoena of the Commission, on the ground
6 that the testimony or evidence required of him may tend
7 to incriminate him or subject him to a penalty or forfeiture;
8 but no individual shall be prosecuted or subjected to any
9 penalty or forfeiture for or on account of any transaction,
10 matter, or thing concerning which he is compelled, after
11 having claimed his privilege against self-incrimination, to
12 testify or produce evidence, except that such individual so
13 testifying shall not be exempt from prosecution and punish-
14 ment for perjury committed in so testifying. The immunity
15 herein provided shall extend only to natural persons so com-
16 pelled to testify.

17 “ENFORCEMENT OF ORDERS DIRECTED TO GOVERNMENT
18 AGENCIES

19 “SEC. 16. The provisions of section 14 shall not apply
20 with respect to an order of the Commission under section 13
21 directed to any agency or instrumentality of the United
22 States, or of any Territory or possession thereof, or any
23 officer or employee thereof. The Commission may request
24 the President to take such action as he deems appropriate
25 to obtain compliance with such orders. The President shall

1 have power to provide for the establishment of rules and
2 regulations to prevent the committing or continuing of any
3 unlawful employment practice as herein defined by any
4 person who makes a contract with any agency or instru-
5 mentality of the United States (excluding any State or
6 political subdivision thereof) or of any Territory or posses-
7 sion of the United States, which contract requires the em-
8 ployment of at least fifty individuals. Such rules and regu-
9 lations shall be enforced by the Commission according to
10 the procedure hereinbefore provided.

11 "NOTICES TO BE POSTED

12 "SEC. 17. (a) Every employer and labor organization
13 shall post and keep posted in conspicuous places upon its
14 premises a notice to be prepared or approved by the Com-
15 mission setting forth excerpts of the Act and such other
16 relevant information which the Commission deems appro-
17 priate to effectuate the purposes of the Act.

18 "(b) A willful violation of this section shall be pun-
19 ishable by a fine of not less than \$100 or more than \$500
20 for each separate offense.

21 "VETERANS' PREFERENCE

22 "SEC. 18. Nothing contained in this Act shall be con-
23 strued to repeal or modify any Federal or State law creating
24 special rights or preferences for veterans.

1 "RULES AND REGULATIONS

2 "SEC. 19. (a) The Commission shall have authority
3 from time to time to issue, amend, or rescind suitable regu-
4 lations to carry out the provisions of this Act. If at any time
5 after the issuance of any such regulation or any amendment
6 or rescission thereof, there is passed a concurrent resolution
7 of the two Houses of the Congress stating in substance that
8 the Congress disapproves such regulation, amendment, or
9 rescission, such disapproved regulation, amendment, or re-
10 scission shall not be effective after the date of the passage
11 of such concurrent resolution nor shall any regulation or
12 amendment having the same effect as that concerning which
13 the concurrent resolution was passed be issued thereafter by
14 the Commission.

15 "(b) Regulations issued under this section shall be in
16 conformity with the standards and limitations of the Admin-
17 istrative Procedure Act.

18 "FORCIBLY RESISTING THE COMMISSION OR ITS
19 REPRESENTATIVES

20 "SEC. 20. Whoever shall forcibly resist, oppose, impede,
21 intimidate or interfere with a member, agent, or employee
22 of the Commission while engaged in the performance of
23 duties under this Act, or because of such performance, shall

1 be punished by a fine of not more than \$500 or by imprison-
2 ment for not more than one year, or by both.

3 "SEPARABILITY CLAUSE

4 "SEC. 21. If any provision of this Act or the applica-
5 tion of such provision to any person or circumstance shall
6 be held invalid, the remainder of this Act or the application
7 of such provision to persons or circumstances other than
8 those to which it is held invalid shall not be affected
9 thereby."

AMENDMENTS

Intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 11 (legislative day, JANUARY 4), 1950
Ordered to lie on the table and to be printed

81ST CONGRESS.
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 11 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

1 On page 4, line 19, after the word "of" insert "the fore-
2 going provisions of".

3 On page 5, line 3, strike out the word "This" and insert
4 in lieu thereof "The foregoing provisions of this".

5 On page 5, after line 6, add the following new sections:

6 "SEC. . The requirement that a poll tax be paid as a
7 prerequisite to voting or registering to vote at primaries or
8 other elections for President, Vice President, electors for
9 President or Vice President, or for Senator or Member of
10 the House of Representatives, is not and shall not be deemed

1 a qualification of voters or electors voting or registering to
2 vote at primaries or other elections for said officers, within
3 the meaning of the Constitution, but is and shall be deemed
4 an interference with the manner of holding primaries and
5 other elections for said national officers and a tax upon the
6 right or privilege of voting for said national officers.

7 "SEC. . It shall be unlawful for any State, municipi-
8 pality, or other government or governmental subdivision
9 to prevent any person from voting or registering to vote
10 in any primary or other election for President, Vice Presi-
11 dent, electors for President or Vice President, or for Senator
12 or Member of the House of Representatives, on the ground
13 that such person has not paid a poll tax, and any such re-
14 quirement shall be invalid and void insofar as it purports
15 to disqualify any person otherwise qualified to vote in such
16 primary or other election. No State, municipality, or other
17 government or governmental subdivision shall levy a poll
18 tax or any other tax on the right or privilege of voting in
19 such primary or other election, and any such tax shall be
20 invalid and void insofar as it purports to disqualify any
21 person otherwise qualified from voting at such primary or
22 other election.

23 "SEC. . It shall be unlawful for any State, municipi-
24 pality, or other government or governmental subdivision to
25 interfere with the manner of selecting persons for national

1 office by requiring the payment of a poll tax as a prerequisite
2 for voting or registering to vote in any primary or other
3 election for President, Vice President, electors for President
4 or Vice President, or for Senator or Member of the House of
5 Representatives, and any such requirement shall be invalid
6 and void.

7 “SEC. . It shall be unlawful for any person, whether
8 or not acting under the cover of authority of the laws of any
9 State or subdivision thereof, to require the payment of a
10 poll tax as as a prerequisite for voting or registering to vote
11 in any primary or other election for President, Vice Presi-
12 dent, electors for President or Vice President, or for Senator
13 or Member of the House of Representatives.” .

AMENDMENTS

Intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 11 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

years he studied law in his father's law office in St. Albans. This was the old-fashioned way in which so many of the outstanding members of the legal profession have gained their education and experience. For 14 years he practiced as a member of his father's firm, and then removed to Burlington, Vermont's largest city, where he established his own law firm, still ably carried on by his son, who thus is third in line of succession in the profession of this notable Vermont family.

His public service commenced with his election as State's attorney of Franklin County in 1904 and United States commissioner in 1907. In 1909 he was elected mayor of St. Albans. He spent a period in 1916 and 1917 as an attorney for the American International Corp. in China, and there got his first practical experience in foreign affairs—the field in which he has become so distinguished. In a special election in March of 1931 he was elected to the United States Senate to fill out the unexpired term of Senator Frank L. Greene. He was reelected in 1934, and again in 1940.

It is not necessary for me to detail his services as a member of the United States Senate. They speak for themselves, and are carried in the memories of many men who have their seats upon this floor. He was a hard-working Senator, constructive in committee work, and wise in counsel. Vermont was proud of him. He was a member of the Atomic Energy Committee, the Committees on Territories and Insular Affairs, on Military Affairs, and on Interstate Commerce. As a member of the Military Affairs Committee he shared the responsibility of introducing the first armed-services-unification bill. He early saw the inevitability of our involvement in world conflict. Both on the floor of the Senate and among his constituents in Vermont he led in the movement which finally provided for the draft and put our Nation in a state of military preparedness. But it was his assignment to the Committee on Foreign Relations which particularly intrigued his interests, and on which he rendered his most valuable service.

It was with the conviction that the President had made a wise choice that the people of our State received the news of his appointment to his present high office. The wisdom of that choice has been increasingly evident during the years that Ambassador Austin has fulfilled the requirements of the difficult and dangerous assignment which was given him. His patience, his intelligence, his wide knowledge of international situations, and his devotion to the cause of peace among the nations of the earth are known to all.

There is a parallel between his personal history and that of our country in the years since his birth in 1877. The country boy grew up, went to school, prepared himself for professional work, and entered doors that were opened to him time after time into fields of greater usefulness and responsibility. As in the case of the man, so also in the case of our country: We have grown; we have learned; we have found unavoidable re-

sponsibilities thrust upon us; and inevitably we have become responsible leaders in world affairs, just as Ambassador Austin, through the inevitability of his experience, judgment, and character, has grown to play the leading part in the broadest theater and the most stirring drama that has ever appeared on the stage of human history.

Vermont is proud of its son; and I am glad, as one of his fellow citizens, to add my word of tribute to the work and worth of Warren Robinson Austin.

LOCATION OF STEEL MILL IN NEW ENGLAND—LETTER FROM SENATOR MCMAHON TO SENATOR O'MAHONEY

Mr. MCMAHON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I wrote to the Senator from Wyoming [Mr. O'MAHONEY], chairman of the Joint Committee on the Economic Report, under date of January 5, 1950, concerning hearings which his committee will begin on January 24 relative to the steel situation in the United States. In my letter to the Senator from Wyoming I have outlined the situation as it pertains to New England and New England's determination to go forward with the securing of steel production facilities in the New England area.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 5, 1950.

HON. JOSEPH C. O'MAHONEY,
Chairman, Joint Committee on the Economic Report,
Washington, D. C.

DEAR SENATOR O'MAHONEY: I wish to commend the Joint Committee on the Economic Report, of which you are chairman, for its decision to explore current steel prices and their effect on the national economy. This inquiry should yield fruitful results.

I am especially pleased that you have asked to appear as a witness, Dr. Alfred G. Neal, vice president of the Federal Reserve Bank of Boston, who is in a position to offer facts and figures which should prove of substantial value to the work of the committee. Dr. Neal is an eminent economist who is thoroughly familiar with the steel situation both nationally and locally.

For some time past, the New England Council has sponsored an effort to locate in New England a steel mill of sufficient size to help meet the growing demands for steel in that area.

New England has an abundance of metal fabricating plants which are vital to its continued prosperity and the undisputed fact is that New England has been handicapped by a lack of sufficient steel for many years past. This has placed a severe hardship upon the economy of the whole New England area.

There are now available around the rim of the Atlantic Ocean ore deposits which are more than sufficient in size and quality to supply a New England steel mill at prices substantially below those now prevailing in the steel industry. New England has the financial resources and the available markets. There is every economic reason why a steel plant should be located in New England to meet the needs of an expanding economy.

Our system of private enterprise cannot be static; it must be dynamic to meet the growing needs of our people. A steel mill in New England would not constitute a threat to present steel facilities; on the contrary it would complement those now in existence.

The New England Council has sought the cooperation of those producing steel com-

panies which possess the experience and technical skills to operate a steel mill of the proposed scope. This policy was adopted in the belief that the project would be mutually advantageous and a wholesome development for the Nation's economy.

It is unpleasant but true that there has developed what seems to be a concerted effort among leading steel producers to oppose the development of a steel mill in New England. This opposition is based, not upon economic grounds, but upon reasons which certainly will bear the most careful scrutiny by your committee. I believe it is beyond dispute that the normal economic growth of the Nation must not be impeded by artificial restraints imposed by a small group of willful men.

In a recent message, President Truman wished the New England Council "every success in working out a satisfactory arrangement with the steel companies." The Chief Executive thus expressed the universal belief that the operation of a steel mill in New England, under private auspices, would be a healthy thing for the economy of the United States.

Steel is the hard core of modern industrial life. In a very real sense, the availability of steel expands or retards our national prosperity. Steel in sufficient quantities at reasonable prices is vital to the growth and development of New England.

I may add that New England will have a steel mill, despite the outspoken or undercover hostility of special interests which may oppose it. But I believe your committee will perform a distinct public service by placing the facts before the public.

With best wishes,

Sincerely yours,

BRIEN MCMAHON,
United States Senator.

LABOR-RELATIONS POLICY—ARTICLE BY THOMAS L. STOKES

Mr. HUMPHREY. Mr. President, one of the most pressing problems facing the Congress of the United States is that of our country's labor-relations policy. The debate during the first session of the Eighty-first Congress on the Thomas bill to repeal the Taft-Hartley law demonstrated to my mind proof of the conclusion that the Taft-Hartley law has created a climate in labor relations which is conducive more toward hostility, bitterness, and interference with the civil rights of vast numbers of American working men and women than toward a firm basis for friendly and constructive collective bargaining. That debate has ended, and for the time being the Taft-Hartley issue is not on the floor of the Senate. It may well be that the American electorate again will have to express itself at the polls before its will to repeal the Taft-Hartley law can be expressed in legislation.

We do have a responsibility, however, to face the facts. In many sections of America the labor movement faces a struggle for its very existence, as employers who choose to interfere with attempts of their employees to organize into unions of their own choosing receive encouragement from the Taft-Hartley law. Here is a most serious problem involving basic civil rights.

A subcommittee on labor-management relations has been appointed by the Senate Labor and Public Welfare Committee. I am a member of that subcommittee, and I urged the subcommittee to concern itself with this problem and inform the American people of the facts.

In this connection I ask unanimous consent to have printed in the *RECORD* a recent article by Thomas L. Stokes, and I ask that it be referred to the subcommittee for its consideration.

There being no objection, the article was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the *RECORD*, as follows:

AN OLD TRICK REAPPEARS

(By Thomas L. Stokes)

WASHINGTON.—There is much loose talk about big labor and the labor monopoly.

It refers to giant unions embracing, in some cases, hundreds of thousands of workers in basic industries—coal, steel, automobiles, and the like. They were organized on an industry-wide scale to meet the corporate power of giant industry with which they had to deal.

But there is one part of the country where they haven't seen much labor monopoly. That is the South, where the monopoly power seems still to be on the other side. Trade-unionism is in the pioneer era yet in some respects and encounters old tricks abandoned long ago elsewhere.

There is, for example, the illuminating case history of two textile mills in northern Alabama, at Albertsville and Guntersville in the heart of the TVA area, formerly the Saratoga-Victory Mills which employed 750 persons. The workers there were organized into unions of the Textile Workers Union of America and contracts went into effect July 1, 1946.

Last spring the two plants were closed down with the announcement that they could not be operated profitably. Immediately things began to happen.

The supervisory force left at the plants, under direction of W. H. McGaha, began a campaign to break up the union.

The first tactics were to circulate printed cards to the workers authorizing withdrawal from the union. In July the tactics became more direct. Through an employee of the Albertsville plant the superintendent had the word passed around among former workers that there was a prospective buyer for the mill who operated nine other nonunion plants. The deal would not go through, the workers were informed, if there was a union at the plant.

Since the plant had been closed 3 months by that time, this was persuasive with a number of workers who needed jobs.

At Guntersville, Mr. McGaha told a committee of former employees that it would begin operations if the workers would sign a petition saying they would not join a union.

The plot unfolded neatly in early October when sale of the plants was announced to the J. R. Abney interests of Anderson, S. C. The mills were reopened October 17. In its rehiring, the company avoided workers formerly active in the union and hired some persons who had not worked in cotton mills for years and had never worked at either of the two plants.

The union has filed charges with the NLRB, claiming violation of the National Labor Relations Act, listing 400 workers who have been denied employment. It will take a long time for this to go through the procedures and possibly the courts.

The labor monopoly does not seem to work in the South. It is still not so simple as the propaganda makes out.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY] to the original bill, on page 4, after line 10.

Mr. JOHNSTON of South Carolina. Mr. President, on the floor of the Senate we have been discussing all last week, and up until now of this week, the question of whether we shall repeal the oleomargarine tax. There is very little I can add at this time to the discussion which has previously occurred; but I wish to go on record on this issue, so that everyone will understand my position. I shall not at this time undertake to make any extended remarks; neither am I going to discuss the amendments to the bill. I am speaking purely upon the merits of the proposed repeal of the oleomargarine tax.

So far as the amendments known as the Langer amendments are concerned—which insert into this particular discussion the issues of antipoll tax, antilynching, and FEPC—I certainly would want it understood that the brief remarks I am making here and now do not in any way apply to the amendments which have been offered, for in my opinion the Senate will not seriously consider those amendments at this time, because I believe the Senate as a body realizes that if we should enter upon their discussion and if it became necessary to call for cloture in the Senate, then, of course, the antilynch, antipoll tax, and FEPC issues would be stripped from the bill, and we would consider only the oleomargarine tax. Therefore, it is not for the best interests of the Senate, as I see the situation, to discuss at length these other issues at this time. For that reason, I shall discuss only the oleomargarine tax.

Mr. President, for many decades the margarine industry has been a victim of taxation without representation. For many decades the housewives of this Nation have been unduly charged for a food product which contains many vital minerals necessary for our well-being.

In discussing this tax, I want it also understood that in my view it is more of a consumers' tax than a tax to benefit farmers or a tax to benefit the dairymen or a tax to benefit the oleomargarine industry.

We remember that in 1902, when the Federal Government imposed the tax on margarine, it was said that such laws were needed to safeguard the public from fraud and to protect the public health. Even if at that time margarine was not the nutritious food it is now, the situation could have been dealt with more effectively by stricter pure-food laws. The arguments applying then no longer apply. Today, it is a case of the butter boys against justice. That is my way of looking at it.

Cooking experts say margarine is just as palatable as butter; medical men say it is just as nutritious. Anyone buying groceries knows it costs less; but it should be much less costly than it is.

Both margarine and butter contain 3,300 calories per pound; 80-percent fat by volume; and same percentage skim-

milk solids. Three percent of margarine is salt and 3 percent of butter is salt. Sixteen percent of margarine is moisture and 16 of butter is moisture. Does it make sense to the housewives of the country that the Federal Government tax one and not tax the other?

As to color, margarine is colored, and so is butter, 8 months of every year. I have heard a great deal of talk on the Senate floor implying that butter has an exclusive right to the yellow color. As I see it, butter has no more right to the yellow color than has oleomargarine. In a great many instances, oleo must be decolorized before it can be sold. As to taxation, the housewife must pay a tax of 10 cents on every pound of colored margarine she buys. The report on margarine by the New York Academy of Medicine states:

From a nutritional viewpoint, when it is fortified with vitamin A in the required amount—

By the way, the law requires that amount—

margarine is the equal of butter, containing the same amounts of protein, fat, carbohydrates, and calories per unit of weight. Moreover, since the minimum vitamin A content of enriched margarine is fixed, and the amount of this vitamin in butter may range from 500 to 20,000 units per pound, enriched margarine is a more dependable source of vitamin A than is butter. Since it is a cheaper product than butter, fortified margarine constitutes a good vehicle for the distribution of vitamin A and fats to low-income groups and should, therefore, be made available to them. Under the standards set by the Food and Drug Administration, margarine is as clean and sanitary a food as butter. The two products are likewise equal in digestibility. Their relative palatability is a matter of individual taste.

Some people like the taste of butter, others like taste of oleomargarine better.

Three distinguished scientists at the University of Illinois College of Medicine conducted a 2-year study of 217 children in two orphanages. The children in one were fed margarine while the children in the other were fed butter. The report reads like this:

Blood studies showed that there were no significant differences between the margarine or butter groups.

The children in the margarine group experienced a high degree of good health during the study and in comparing their health to those in the butter group it appears to have been much better.

When infirmary records are compared, it is readily seen that the margarine group fared much better than the butter group. We are not making claims that the margarine group were healthier simply because their diet contained margarine. Other variables are more likely to account for their better health.

In 1886 it was contended that margarine was an unhealthy food and was being sold fraudulently as butter. In 1902, when the original law—which imposed a 2-cent tax on all margarine—was amended to reduce the tax on uncolored margarine and place an almost prohibitive impost on the artificially colored yellow product the argument was again made that consumers must be protected from fraud. In 1931, when the 10-cent tax was extended to all yellow

margarine—whether artificially or naturally colored—the contention was made that margarine was a “foreign” product since a great deal of it was being made from imported palm and coconut oil.

I should like to point out here that the foreign argument is of no importance today. More than 95 percent of all margarine is now made of domestic ingredients. This argument is as archaic today as the contention that margarine is an unhealthy food.

There are, of course, no sound reasons for the imposition of these taxes and license fees on margarine, any more than there would be for the imposition of a tax on 10 cents on every pound of butter.

Both margarine and butter are colored yellow to meet food habits. We are accustomed to yellow table spreads just as we are used to white milk. If anyone should try to sell black milk, no one would want to drink it. The same thing is true of butter and of oleomargarine. We would look with distaste upon green milk—though in every respect except color it might be identical with other milk. Our housewives do not object to white margarine for cooking purposes. They are accustomed to white cooking fats—such as lard. But they do want their margarine for table use to be yellow. There is no valid reason why their preference should be ignored or thwarted.

Margarine looks like butter. It is quite amusing to listen to the speeches of those who say they do not want us even to put margarine in a package that makes it look like butter, although it is printed plainly on the package that it is oleomargarine. God made both to look as they look in their natural state.

Furthermore, margarine imitates and is a substitute for butter, but what is wrong with that? If we are to levy a tax on all products which imitate the original, in color and other characteristics, we are going to stifle competition. The very essence of competition is to develop new products which are like the old but which are better and cheaper.

Of course, the supreme irony of this amazing claim of butter to a monopoly on yellow is that the fats and oils used in the manufacture of margarine contain some naturally yellow color. Under Federal regulations, however, these fats and oils must be bleached, a process which adds to the cost of manufacture in order to make white margarine. If the manufacturers did not bleach it, they would violate the law. It would probably be yellow in some instances, and then it would be a direct violation of the law. Otherwise, the margarine resulting would have to pay the 10 cents a pound Federal tax.

The butter boys tell us that this tax was imposed because the Government needed the revenue and to protect the public from fraud. But the people know it was imposed by butter interests in order to outlaw the sale of margarine. The housewives, however, have great faith in margarine and they have continued to buy it. It is only logic to buy margarine because it is as good as butter in every respect and can be made for much less.

Let me also state that it is my humble opinion that so far as putting the butter interests out of business is concerned, the removal of the tax of 10 cents on margarine will not affect in a material way the amount of butter sold, and will not, in any material way, affect the sale of oleomargarine. But repeal will eliminate a tax which I consider inequitable, a tax which has no proper place in our economy, a tax which is nothing more nor less than an imposition on people who are buying oleomargarine.

Spokesmen for the butter industry have made every sort of claim against the margarine industry. They have even said that soybeans, the principal ingredient of margarine, are detrimental to the soil. Contrary to that statement, the soybean plant is a legume; it restores nitrogen to the soil. Any specialist in soil conservation will tell us that all land must be put to its best use. It is an established fact that one acre of soybeans will produce more butter fat than will two acres used for dairying. One man-hour of labor will produce 13.3 pounds of soybean oil compared with 1.5 pounds of butter fat.

I think the development of margarine has contributed much and will contribute much more to the health of the people in this Nation, because it brings a highly nutritive food to many who could not afford butter. It has been recommended before, and I want to recommend again, that the taxes and license fees be removed from margarine and the sale of margarine be encouraged. We are robbing some while we starve others just to protect the butter industry by taxation, and I want the people to know that the tax money has not amounted to a hill of beans. It no more than pays for enforcing the collection of the tax.

In conclusion, I should like to emphasize this point: I do not believe there is a single Member of the Congress who wants to destroy the butter industry. I do not believe any of the Members who have introduced bills for the repeal of the antimargarine laws want to hurt the dairy industry. It is my sincere belief that the repeal of these laws would be to the advantage of all farmers, including dairy farmers, and of the American people generally.

Much of the argument voiced in defense of the antimargarine laws has been based on an unproved assumption that without this discriminatory legislation, the dairy industry would be disrupted. There has been no proof submitted in Congress or elsewhere, so far as I am aware, to support this assumption. All the evidence I have seen—and I have studied this question carefully—abundantly proves the contrary.

On the other hand, it is clear that restrictions hamper and curtail the production and distribution of margarine and restrict those who produce the ingredients of margarine—more than 2,300,000 American farmers. As I have indicated, they are also restrictions upon the welfare of the great livestock industries of needy people at home and abroad and upon the best interests of the whole American people.

Mr. President, I hope that all Members of the Senate, regardless of party affiliation, will study the facts in this issue carefully and without prejudice. I am confident, if this is done, that there can be but one outcome; the antimargarine laws will be, at long last, removed from the statute books. If that be done, I believe the farmers, as well as the consumers, will be benefited thereby.

Mr. MUNDT. Mr. President, I have listened to the discussion of oleomargarine by the distinguished Senator from South Carolina, who has just yielded the floor. I think he made a very effective argument from the standpoint of one representing his sectional interest and desirous of promoting the production of oleomargarine. I was, however, tremendously impressed by one statement which he made, to the effect that some persons like the taste of butter and some persons like the taste of oleomargarine. Those of us who are representing the dairy farmers and the majority of the farmers of America on this issue should like to keep the distinction clear between oleomargarine and butter, so that those who prefer the taste of butter may have butter, and those, to quote the Senator from South Carolina, who prefer the taste of oleomargarine, may have oleomargarine, and so that each may know what he is getting, so that each may know what is being served in restaurants and hotels, so that there may be no confusion or deception, so that a customer desiring butter may eat butter, and one who prefers oleomargarine may eat oleomargarine.

We accept that line of reasoning completely. Our legislation is based on that principle.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, I ask unanimous consent to be permitted to withdraw my amendment lettered “D.” It was offered both to the original bill and the substitute. I should like to explain my reasons for desiring to withdraw it. It is a very simple amendment which provides that all oleomargarine must be labeled in letters one-half inch high, “This is not a dairy product.” I was not aware of the situation at the time I offered the amendment. My purpose was to prevent the fraud and deception now practiced. However, the Senator from New York [Mr. Ives] has handed me a telegram which is very convincing. It reads as follows:

NEW YORK, N. Y., January 9, 1950.
Hon. IRVIN M. IVES,
Senate Office Building:

Understand Senator McCARTHY proposes to require oleomargarine to be labeled “This is not a dairy product.” Such labeling would mislead many Jewish people who observe the religious dietary laws. They would believe that vegetable oleomargarine contains no milk and therefore could be served and eaten with meat products. However, milk content of margarine forbids such use under kosher laws. On behalf of the Synagogue Council of America, representing the reform, conservative, and orthodox rabbis and con-

gregations, I urge you to do all that you can to prevent any such misconception.

RABBI HERBERT S. GOLDSTEIN,
Chairman, Committee on Religious
Observance, Synagogue Council of
America.

Mr. President, in view of the fact that many brands of oleomargarine contain a very small percentage of dry skim milk, I can see that such labeling would be deceptive insofar as concerns persons who follow the orthodox Jewish faith. For that reason I ask unanimous consent to be permitted to withdraw the amendment. I shall prepare another amendment which will accomplish the desired results and, at the same time, be fair to the Jewish people.

The PRESIDING OFFICER (Mr. LEAHY in the chair). The Chair inquires, is that amendment now before the Senate?

Mr. McCARTHY. It is now before the Senate.

Mr. FULBRIGHT. Reserving the right to object, Mr. President, is that the second amendment, which says the product is not a dairy product?

Mr. McCARTHY. Yes.

Mr. FULBRIGHT. It was not offered. It was merely presented to be printed and to lie on the table, was it not?

Mr. McCARTHY. It was offered to the Wiley-Gillette substitute, and I desire at this time to withdraw it from the Wiley-Gillette substitute.

Mr. FULBRIGHT. I have no objection. I merely wanted to be clear as to what was done.

Mr. McCARTHY. Insofar as the bill of the Senator from Arkansas is concerned, the amendment merely has been printed and is lying on the table, and I said I was going to offer it to the Senator's bill also, but under the parliamentary rules I could not offer it at the time I presented it. It has been offered as an amendment to the Wiley-Gillette substitute, and my request now is that I be allowed to withdraw it as such.

Mr. MUNDT. It is an amendment offered to the proposed substitute, is it not?

Mr. McCARTHY. It is an amendment offered to the proposed Wiley-Gillette substitute.

Mr. MUNDT. And is not now a part of the proposed substitute?

Mr. McCARTHY. I think it may have been made a part of the substitute by unanimous consent. If so, I wish to withdraw it, and I have talked to as many of the sponsors of the substitute as I could contact, and there is no objection to my withdrawing it.

The PRESIDING OFFICER. The Chair is informed that the amendment has never been offered to the Wiley-Gillette substitute.

Mr. McCARTHY. I believe the Chair has made an error. I was here at the time it was offered, and the sponsors of the Wiley-Gillette substitute did accept the amendment at that time.

The PRESIDING OFFICER. The Chair is informed that it was not accepted.

Mr. McCARTHY. If that is correct, may I have an understanding that it is withdrawn, if it was accepted, and is not now a part of the Gillette-Wiley sub-

stitute, so that it is not before the Senate at this time?

Mr. MUNDT. It does not appear in the language of the substitute in which we have all joined and which we offered together as a substitute for H. R. 2023.

Mr. McCARTHY. If that be true, then there was an unfortunate mistake on the part of the clerk, because the sponsors of the Wiley-Gillette substitute did accept it.

Mr. MUNDT. At least the Senator's explanation will certainly clarify the record, so that there will be no misunderstanding.

Mr. McCARTHY. I intend to prepare another amendment, which will call for substantially the same kind of provision, but will make it clear to those who are orthodox Jewish people that there is a small percentage of skim milk in the product, so that they will not be deceived.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield, while the Senator from Wisconsin is on the floor, so that I may call attention to amendment D offered by the Senator from Wisconsin?

Mr. MUNDT. I yield.

Mr. McCARTHY. That is not the amendment to which I am referring.

Mr. AIKEN. May I call attention to that at this time?

Mr. McCARTHY. Certainly.

Mr. AIKEN. The amendment is intended to prevent misrepresentation in the marketing of oleomargarine, and also to prevent misrepresenting it as being a product made from dairy fats.

Mr. McCARTHY. Yes.

Mr. AIKEN. I call the Senator's attention to the fact that his amendment does not provide a penalty, or at least an adequate penalty. The only penalty provided in it will be found in the Clayton Act, a \$5,000 fine. If that fine is not paid for a year, it will amount to merely \$5,000. I have had prepared an amendment to the Senator's amendment which reads as follows:

On page 2 of the amendment, between lines 18 and 19, insert the following new subsection:

"(c) Subsection (e) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.'"

I wish the Senator from Wisconsin would take this amendment, look it over, and see if he cannot accept it as an amendment to his amendment, because it is apparent there must be provided some effective penalty against misbranding and misrepresentation, or the oleo interests would simply laugh.

Mr. MUNDT. The Senator's amendment would simply put teeth in the McCarthy amendment, would it not?

Mr. AIKEN. Yes, it would put teeth in the McCarthy amendment, and not only make violators liable to a \$5,000 fine, but if they dragged the payment of the fine out over a year or a year and

a half, the penalty would be \$5,000 for each day they delayed paying the fine.

Mr. McCARTHY. Mr. President, I think that is an excellent idea. I should have no objection whatsoever to accepting that modification of the amendment. I believe, however, the Senator said it would come between lines 18 and 19. I presume he meant between lines 20 and 21.

Mr. AIKEN. That is why I suggested that the Senator from Wisconsin look it over, to see that it is correct in detail.

Mr. McCARTHY. While I am very happy to accept the modification, in view of the fact that my amendment had already been accepted as a modification of the Wiley-Gillette amendment, I should want to talk to all the sponsors of the Wiley-Gillette amendment and see whether they objected to the modification.

Mr. AIKEN. In the event the Wiley-Gillette amendment is not accepted by the Senate, I understand that the Senator from Wisconsin intends to propose his amendment as an amendment to the bill itself, does he not?

Mr. McCARTHY. Yes; and I understand that the Senator from Arkansas is at least very seriously considering the acceptance of this amendment to his original bill in case the Wiley-Gillette amendment shall not be accepted.

Mr. FULBRIGHT. Mr. President, I am sorry I was not attending to the colloquy. What amendment is the Senator discussing?

Mr. McCARTHY. Amendment (E), which has to do with the fraudulent advertising of oleomargarine.

Mr. FULBRIGHT. That is the pending amendment?

Mr. McCARTHY. The pending amendment.

Mr. FULBRIGHT. When the time comes I shall consider discussing it with the Senator. I am inclined to think it is not too objectionable. There are one or two suggestions I desire to make when the proper time comes for voting on it. I may say that, generally speaking, it is not a very objectionable amendment, and it may well be we can agree on it.

Mr. MUNDT. Mr. President, I should like to suggest that we delay further debate on this matter until the time comes when the amendment is before the Senate. I yielded for the Senator from Wisconsin to secure unanimous consent and I hope the Senator will be willing to postpone further discussion.

Mr. McCARTHY. In calling this amendment to the attention of the Senator from Arkansas I wish to direct his notice to the fact that the amendment has been modified, so that there will be no objection.

Mr. FULBRIGHT. I did not understand it had been modified. Has the amendment which is pending been modified?

Mr. McCARTHY. It has been modified by an amendment suggested by the Senator from Vermont.

Mr. AIKEN. To provide a penalty, because it is obvious that the amendment of the Senator from Wisconsin would not amount to much without a penalty provided.

Mr. FULBRIGHT. What I had to say a moment ago referred to the amendment before it was modified. Will it be printed as modified?

Mr. McCARTHY. Yes.

Mr. FULBRIGHT. I shall be glad to consider it. I do not know what the nature of the penalty is. There are already penalties provided in the Pure Food and Drugs Act.

Mr. MUNDT. Mr. President, before the colloquy initiated by the Senator from Wisconsin became a part of the RECORD, I was pointing out that people who believe that butter has a right to the protection it now has under the present law need the protection they would get under the substitute which we have joined in offering. I concur completely in that major thesis developed by the Senator from South Carolina when he said that people who like butter better have a right to buy butter, and those who like oleomargarine better have a right to buy oleomargarine. I suggest that from those two facts there must come a third fact; namely, that each has the right to know what he is buying and what he is eating. We have proposed substitute legislation which protects him in that third right, which is just as important as either of the other two.

I also concur in another statement made by the Senator from South Carolina in his appealing discourse from the standpoint of the oleomargarine people, when he said that the housewives have no objection to using white oleomargarine for cooking purposes, but that the housewives insist that they want yellow oleomargarine for table use. Then he said that the American public has been accustomed to preferring a yellow table spread. Then he stopped and got away from what would be a logical sequence—how it happens that of all the colors of the spectrum, the American public has been accustomed to preferring yellow as a table spread. He knows what he did not say, so I say it for him, that the only reason in the world why the American public has become accustomed to preferring yellow as a table spread is because yellow is the color of butter, and people prefer butter. Many people presume that they are getting butter if they get something yellow on their bread. It is against that kind of dishonest delusion that we protest.

There are many other colors the oleomargarine producers could use. People in America do not object to using red as a table spread if the red is actually plum jelly, but they do not like to have foisted on them something colored red and tasting like oleomargarine, and appearing like plum jelly, because the manufacturers, apparently, cannot simulate the taste of plum jelly. Oleomargarine does imitate the taste of butter and the color of butter and the appearance of butter. There is a universal acceptance of butter as a preferred table spread, to such an extent even that, as the Senator from South Carolina said, for some strange reason the American public wants their table spread colored yellow, and that is the reason why those from the oleomargarine area want to enable the people to buy yellow oleomargarine.

Mr. President, for a long time during this debate, as I have heard it and read it, it has been hard for me to find out exactly why the Democratic Party put an oleomargarine plank in its national platform. It has been exceedingly difficult for me to know exactly why the Democrats have joined in these tragic days filled with many major problems in placing the repeal of the protection which the butter makers now enjoy against oleomargarine so high on the agenda and making that proposal an important must piece of legislation rather than considering some problem of real importance to our domestic or foreign situation. I have tried to analyze it objectively. I have tried to understand it because it seems to me important that we should understand it if we are to debate against the point of view and if we are to have a knowledge of the reasons why other people, whose judgments we respect, differ from us.

I think there are probably two major groups who are leading the battle against butter—two major groups who are leading the battle in behalf of the producers of oleomargarine. The first group, I think, is made up of Senators from the areas of America which produce an abundance of vegetable oil which the producers would like to convert into oleomargarine, and consequently those Senators feel that they will increase the prosperity and happiness of their section of the country if they can induce the American public, by hook or by crook, by color or without color, to use an additional amount of oleomargarine.

I think the Senator from South Carolina [Mr. JOHNSTON] falls into that category of support. I am sure the Senator from Arkansas [Mr. FULBRIGHT] comes within that category. I am sure that many of the other Senators who have spoken for the oleomargarine-tax repealer, and who live in that area of the country, speak with that sort of understandable sincerity. But there are others on the Democratic side who joined in getting the oleo plank in the national platform, which was agreed to in a convention, who had a tremendous amount of difficulty in bringing together the points of view of the North and the South on anything else that was written into the Democratic platform. They agreed on this one point, however.

It seems to me that with respect to the other group or faction of the Democratic Party which does not come from a part of the country which produces oleomargarine, vegetable oil, the group which, in fact, in part, comes from a part of the country where they are trying to develop a dairy industry, we are confronted with just some plain, practical Pendergast politics which believes it can get some votes now by inducing some city people to go along with them, because they are going to give them a little cheaper spread, and they probably are not going to lose many votes among the farmers, because primarily they are dealing with a group of people who have had the good judgment to vote Republican anyway.

I may be wrong, but I am going to analyze this legislation as I go along,

and see whether or not that is what has brought about this remarkably happy marriage between the two sections of the Democratic Party which disagreed so repeatedly and so heatedly on so many other issues at the party convention.

I think it can be demonstrated successfully that this proposal is not in the interest of the American farmer. It certainly is a proposal which is not going to increase his income. It is going to decrease it. I think that can be demonstrated from the arithmetic of the situation. The dairy industry is a rather important segment of the whole farm problem with which we have all been wrestling so industriously.

Our dairy herds account for about 22 percent of the agricultural income of the United States. That is nearly one-fourth of the whole farm income we are now concerned about. We are confronted with a direct attack upon 22 percent of the income of the farmers of America. The dairy business produces annually in the United States about \$7,000,000,000 of income.

It has now been conclusively shown in statistical table after statistical table that the total income of America in any fiscal year is almost exactly 7 times the income from the farm. So we are tampering with an income not only of \$7,000,000,000 which now accrues to the dairy farmers of America, but we are jeopardizing the pyramiding of that income, because when we reduce one factor in the formula of 7 times an important factor, of course we reduce the final answer obtained at the end of the operation of the formula. So we are dealing with a potential income of \$50,000,000,000, because the \$7,000,000,000 of it that the farmer gets from the dairying industry pyramids 7 times over, as does all other new real wealth produced in this country. So when we cut down by perhaps a \$1,000,000,000 the income of the dairy farmer, we cut down by \$7,000,000,000 the national income for a given year. No one has argued on any side of this question, up to now, that denying the dairy farmer this protection he has enjoyed for so long will increase his income. Everyone admits it will decrease his income. We argue, understandably, about the degree to which it will decrease it, but all admit it will decrease our national farm income.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WILEY. I am very much interested in that argument. As the Senator knows, in the past 10 years 1,500,000 persons have left the farms of America. In the meanwhile the population of the United States has increased some 20-odd million persons. If the process of persons leaving the farms of America continues, for reasons such as we are talking about now, the result will be very evident that instead of getting cheaper prices we will have less and less foodstuffs, and the time may come, if soil of America is depleted by what is now proposed to be done, that we may become an importing nation. That is a very dangerous factor.

Mr. MUNDT. I think the Senator from Wisconsin places his finger on a very important problem, and that is the relationship of employment on the farm to the whole business involving the production of dairy products.

I should like to quote, as a further reply to what the Senator from Wisconsin has said, a portion of the statement I made at the time hearings were held on H. R. 2023 before the Senate Committee on Finance, in April of last year. On page 39 of those hearings, included in a part of my testimony on the subject, I will say to the Senator from Wisconsin, I had this to say:

I would like to say just one word in emphasis of the very persuasive testimony of Senator THYE about the family-size farm, because in South Dakota the dairy industry is the industry of the family-size farm.

Understandably we have heard much from the Democratic side of the aisle about the family-size farm. But up to now the first legislative proposal dealing with the family-size farm is to deny it a considerable percentage of the income it now receives from the dairy industry.

I continue to read from my testimony:

We have less than a thousand farms out there on which 50 percent of the effort is devoted to dairying. The dairying industry is part of the operation of the family-size farm. We are concerned, all of us, in maintaining a decent income for the family-size farmer, not only a good income but a steady income from which he has some cash resources and cash income through the year.

South Dakota and North Dakota are the two States of the Union which will be most drastically hurt by the proposed legislation, because they are the two States which derive the largest percentage of their farm income from dairy products insofar as the processing of milk is concerned. In our area the dairy farmer is the average-size farmer, operating the family-size farm. We have very few exclusive dairy farms in South Dakota. Less than 1,000 are exclusively devoted to dairying, but dairying forms a part of the farming operation of every family-size farmer, and it does not set well with the farmers of South Dakota when they listen to this Democratic attack on the family-size farmer for whom the Democrats have shed so many crocodile tears in so many past election years.

One way to do something for the family-size farmer is to protect him in the right he now has to extend his cash income, and project it throughout the year by enjoying a decent profit from his dairy-farm operations and from milking his cows and selling his butterfat.

I continue to read from my testimony:

It has been figured, and I think accurately, that by permitting oleomargarine to be sold in direct competition, with no restriction, no restraint of trade and no tax, nothing except to let it try to seduce the housewife into buying it by making it appear to look like butter, making it taste like butter, giving it the melting consistency of butter, and everything else except the nutritive value of butter, would reduce the annual income to the American farmer by over \$600,000,000 per year. This \$600,000,000 is now going to farmers who are at the moment not getting the parity income of which Secretary Bran-

nan talks. So we might find ourselves running into a situation where we would have to increase the Government purchases, the Government subsidy, or the Government support program, call it what you will, by over half a billion dollars if we destroy the revenue now going to the family-size farm from the butter industry.

So I say in response to the Senator from Wisconsin, it is highly important, if we believe in developing a family-size farm income, that we permit the milk operation and the selling of milk, and the selling of butterfats to be a part of the profitable practice of people living on family-size farms.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WILEY. Mr. President, while I was absent I understand that my associate, the junior Senator from Wisconsin [Mr. McCARTHY], accepted an amendment proposed by the Senator from Vermont [Mr. AIKEN] to his amendment, and I understand that that particular amendment is as follows:

Subsection (e) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence:

"Each separate violation of such order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense."

Mr. President, when my associate submitted his amendment the other day I accepted it to the substitute in the nature of an amendment to the pending bill. I wish at this time to accept the modification as proposed by the Senator from Vermont [Mr. AIKEN], so that in the amendment in the nature of a substitute we will have in it the original McCarthy amendment in what might be called this Aiken language to the McCarthy amendment.

The PRESIDING OFFICER. The substitute amendment of the Senator from Wisconsin will be further modified in accordance with his statement.

Mr. WILEY. Mr. President, if the Senator from South Dakota will yield further, I ask that the modification just made in the amendment in the nature of a substitute may be printed, so that it will be available tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, the action thus taken means that three acceptances have thus far been secured for the amendment. They await acceptance tomorrow on the part of the Senator from Arkansas.

If I may, I should like now to continue my remarks, rather than to deviate on the amendments.

Mr. WILEY. Mr. President, I ask that this particular interchange or discussion appear in the RECORD at the conclusion of the Senator's remarks.

Mr. MUNDT. I object. Just let it appear at this point in the RECORD, so that the RECORD will be in orderly fashion; and I shall continue with my remarks now.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I yield.

Mr. FERGUSON. Do I correctly understand that the proposed Aiken amendment applies to any injunctive relief, as well as any criminal relief? Is that the purpose of the amendment?

Mr. WILEY. I shall let the Senator from Vermont [Mr. AIKEN] answer that question. We have had a conference.

Mr. AIKEN. Mr. President, not being a lawyer, I shall simply state that under the Federal Trade Commission law there is a fine of \$5,000 for a violation.

Mr. McCARTHY. The answer is "yes."

Mr. AIKEN. Since the junior Senator from Wisconsin says the answer is "Yes," I shall not continue, but shall let the Senator from South Dakota continue his remarks. He has been very patient.

Mr. MUNDT. I thank the Senator; that is quite all right.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to have the amendment as modified printed?

Mr. McCARTHY. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, continuing now in our search to try to find the underlying reasons motivating the introduction of this proposed legislation, and the fact that it has received such unanimity of support on the part of our Democratic colleagues, and the fact that it is a part of the Democratic political platform, upon which the Democrats ran successfully for office in the last election, I return to the position I have been attempting to establish, namely, that in the first instance this measure is not designed to help the farmer. Whatever else its purpose or whomever else it is expected to aid, it is not a piece of legislation which will be beneficial to the farmer. It has been developed thus far that it destroys a considerable segment of the farmers' income.

It goes further than that, Mr. President. We have in South Dakota and elsewhere in the Middle West, and I presume throughout the country generally, a very fine group of organizations known as farmers' cooperative creameries. Most of them are rather small establishments. I helped establish one in my home town. They belong to the farmers of the area, who bring in their butterfat or place it by the roadside and have it called for by the creamery truck. They patronize a particular creamery, and generally send to it all their milk or butterfat, and frequently through that creamery they develop a particular brand of butter. They hold their annual meetings, and distribute earnings at the end of the year. By that means the dairy farmers have been able to improve the grade of dairy cattle, and frequently to bring in calves, for instance, from Wisconsin and other areas to improve the dairy herds. Thus they have been able to establish a considerable development of dairying in areas where dairying is not particularly a major activity.

This measure will make it exceedingly difficult for those dairy farmers to compete with chain cream companies or to engage in the community effort by which they have been able to establish in the small towns and small cities of America

a small locally owned and locally operated cooperative to help make dairying profitable to the farmers. So this measure, if enacted, will be of no value to them. It will turn the clock backward, so far as they are concerned.

Furthermore, it seems to me, Mr. President, that this proposal in the 1948 Democratic platform runs in direct conflict with a statement the President made in his address to the joint session of Congress a few days ago. It is merely one of a series of conflicts, incidentally, but it is one of those which is pertinent to this bill, because the President—quite rightfully, in my opinion—emphasized the importance of soil conservation, and referred to it several times in the course of his address to the National Congress. I now quote one or two sentences from what the President said in that connection, namely, that the gains America has made, referring to agriculture “cannot be achieved unless we have a stable and prosperous agriculture. They cannot be achieved unless we conserve and develop our natural resources in the public interest.”

A little later he said—and I agree with him:

If we are to achieve a better life for all, the natural resources of the country must be regarded as a public trust. We must use our precious assets of soil, water, forest, and grassland in such a way that they become constantly more productive and more valuable. Government investment in the conservation and development of our resources is necessary to the future economic expansion of the country.

Mr. President, here I call attention to the fact that the Chief Executive was referring to conservation of the soil and the water on the farms of America. Any student of agriculture must recognize, I believe, the relationship of dairying to soil conservation.

In continuing to quote authorities from the Chief Executive echelon of government, let me give as my authority, in refutation to the President's argument, the statement of Dr. Bennett, Chief of the United States Soil Conservation Service, who says that—

Few, if any, other kinds of farms respond more promptly and satisfactorily to soil and water conservation, cropping, and pasture management measures than does dairy farming.

So we propose to show that this attempt in the Democratic platform and in the present move to affect injuriously the dairy industry by making it unprofitable, although the Chief of the Soil Conservation Service and others say that dairy farming is highly beneficial to soil conservation, comes at a time when the President calls upon the country to expand its soil-conservation efforts, not to decrease them.

So, Mr. President, aside from being grossly inconsistent with the position which any one party takes, the present move would tend to destroy, to decrease, to make unprofitable soil-conservation measures which are so essential to the future of this country.

O. E. Reed, Chief of the Bureau of Dairy Industry of the Department of Agriculture—still a part of the present administration, with its unique ap-

proach to these problems by arguing on each side of every issue—says:

No farmer has a better opportunity to keep his farm land in a high state of fertility and productiveness than a man who markets his crops through good dairy cows.

So, Mr. President, in searching for the reason for the attempt to repeal the oleomargarine taxes, it certainly is not because it is going to reinforce the President's argument that we should have soil conservation, or the President's argument that we should produce greater prosperity among family-size farms and that we should give farmers an opportunity to work together cooperatively for their common welfare and their common good.

This measure surely is not a piece of proposed legislation which is devised to help the American taxpayer. I thought perhaps the tax feature of the measure was the reason why our good Democratic friends had finally gotten together upon an issue on which they could have almost complete agreement—one to help the taxpayer, because it would decrease, rather than increase, the tax revenue.

I think the Senator from South Carolina was correct when he said the present tax does not bring very much revenue into the Federal Treasury. I agree. However, regardless of whatever this measure will not bring, there is one thing that it will bring, when this change comes, and that will be a decrease, rather than an increase, in the revenue of the Treasury. But that is not the worst feature of this measure.

It comes at a time when we are committed—correctly, in my opinion—to a farm program which insists that there be a certain kind of floor support under major farm products, and when the Government has been purchasing butter in an effort to maintain at least some semblance of a reasonable price floor under butter, as the Government has been doing in the case of eggs, corn, wheat, and many other products. The Government has been doing that now for some considerable period of time, because the people of the United States have been unable to consume or have been unwilling to consume sufficient butter, or the producers have been making too much butter or the butter prices have fallen or something in our foreign policy has shaken them down. At all events, it has become essential for the Government to support butter prices, and the Government has been doing it to a rather considerable degree. About 12,000,000 pounds of butter a month are being purchased under the support price program. Interestingly enough, about 15,000,000 pounds of colored oleomargarine are being produced and sold in this country. So there is the basis for the present arrangement. If by legislative enactment we now further decrease the market for butter, by making it possible for oleomargarine to take over all or virtually all of that market, we shall thus make it necessary for the Government to increase its purchases of butter in order to support butter prices and that segment of our agriculture. I think the Government already has made an investment of approximately \$100,000,000 in the but-

ter-production program. But if we are going to drive the price of butter down by this move to change the taxes presently applying to oleomargarine and in respect to its packaging or color or labeling or the small print which says it is oleomargarine, then we are going to have to increase the Government's investment in the butter-purchasing program, and in that way the American taxpayer will find himself purchasing a great deal of extra butter, unless there is a purpose to throw the dairy farmers to the wolves altogether, pull the price floor from under the dairy farmers, or let it sag so low that it will be impossible for dairy farmers to produce butter at any reasonable margin of profit at all.

Let us search further. Why was it the Democratic National Convention made this attack on the dairy farmer? How did it happen? Whom are we going to help by this great program of getting together on the Democratic platform in order to fight a war against butter? How come this attack on the dairy farmer? How come they single out a product which throughout the Middle West means so much to the prosperity of the farmer, and which throughout the country contributes almost 25 percent of the total farm income?

I thought perhaps it was going to be of interest to the consumer; perhaps actually they are going to help the consumer; perhaps they are going to do something worth while for the consumer. So I made an investigation of it, to see how much the consumer would be helped by taking the 10-cent tax off colored oleomargarine. At first blush it looked as if it would be the quickest way possible to give him a table spread cheaper than he was previously getting. But I then realized, of course, that if the proponents of repeal were actually intending to help the consumer by trying to provide oleomargarine as a table spread to marginal families at a lower price, the place to have started was not with the 10-cent domestic tax but with the 22-cent foreign-import tax. The 22-cent tax could have been repealed if they were really trying to help the poor man, the little fellow, the consumer, the person with a small income, who understandably may want to buy oleomargarine because it is less expensive for his family. The place to do him a really good turn would have been to recommend, not the repeal of the 10-cents-a-pound tax, but the repeal of the 22-cents-per-pound import tax on oleomargarine. That would have given him some real relief, more than twice the relief he would get under this bill, and it would not have thrown the American dairy farmer into direct and unfair competition with the oleomargarine trust.

I may come around a little later to the reason why I think they did not do that. I think it will become clear, when I discuss the reasons for this marriage between the South, which understandably has an economic reason for trying to get the people to use oleomargarine, and the cities of the North, which joined the South in an agreement in the national Democratic convention on a platform plank against the farmer on which there could be unanimity. I think there is

reason for it, which I shall come to a little later, which falls under the heading of practical political Pendergastian-type politics, which tries to get votes from one section of the country by doing an injury to people of another section. But anyway, the bill will not reduce the cost of the cheap table spread to the extent it could have been reduced if they had wanted to, because they could have repealed the 22-cent tax instead of the 10-cent tax. Actually the records show that those who buy oleomargarine because it is cheaper, or because, as the Senator from South Carolina says, some people like its taste better, will have to pay more for their oleomargarine, after the Fulbright bill is passed, if it is passed, than they do now. That is demonstrated by the record, because in areas where colored oleomargarine is sold, it sells at almost the price of butter, just enough under it to provide an unfair kind of scab competition against butter, since it sells sometimes as much as 25 and 30 cents a pound higher than uncolored oleomargarine. So the oleo interests will have eliminated the competition which colored oleomargarine now has with uncolored oleomargarine, thus enabling them to raise considerably, the average prices of oleomargarine throughout the country, making the marginal family pay considerably more for its table spread than it pays today, and putting additional lush profits into the coffers of the international oleomargarine cartel. But it is not going to be of any concern to the consumer, so far as helping him is concerned.

How about the little fellow? I have heard from Democratic spokesmen since I have been in Washington for 11 years, so many tear-jerking stories about the little fellow, I thought, "Ha, ha." At last they have found something which is going to help the little fellow, and that is why everyone got together in the happy environment of Philadelphia and agreed, "Here is a Democratic platform on which we can all concur." So I looked around to see who was making the oleomargarine. I thought certainly I should find oleomargarine being fabricated or processed or manufactured or concocted—however oleomargarine is made—by many small producers in small towns operating small oleomargarine plants. Certainly I thought I should find many farmers' co-ops making oleomargarine, because no one has shed more tears for farmers' co-ops than has the Democratic Party, or done less to enable them to enjoy a good economic environment in which to function. But I searched in vain for that, Mr. President. I found that oleomargarine was not being made by little fellows anywhere, that there were no small local, home-town organizations making it; there were no small independents, of whom we heard so much in the President's message: "Give us more small independent businessmen." I could not find any of them making oleomargarine. I could not find any farmers' co-ops making oleomargarine. I found that oleomargarine production was about as tight, about as tough, and about as gigantic, an international monopoly and cartel as could be discovered

anywhere under the canopy of heaven. So that actually, whom we propose to help fundamentally is a tremendously strong and tight international cartel, owned in large part by foreign capital. And to help those friends of monopoly the farmers of America are expected to lose any right to have a legitimate margin of profit in selling their dairy products.

That sounds like a strong statement. Let us see what the facts are which support it. Let us talk about the dairy farmer first, because he is a little fellow who has for years been trying to develop for himself a family-size farm with a diversity of activity from which he can have a stable and continuing farm income. About 10,000,000 Americans are dependent upon the dairy industry for their livelihood. That is a large number of Americans. There are more than 3,500 creameries, many of them, as I say, small, locally owned creameries, many of them small creameries owned locally by farm cooperatives. They are distributed in all the 48 States, most of them north of the Mason and Dixon's line, but many of them in the South, where they are at long last recognizing the importance of diversified farming and increasing the size and scope of the dairy industry throughout Dixie. I think it is a step of progress from the standpoint of the agricultural pattern of the South. We have found out then who produces the butter, who processes it. It is the little fellow.

Who does the oleomargarine business in this country? There are only 26 plants altogether. As contrasted with 3,500 creameries, most of them locally owned, there are 26 oleomargarine plants, none of them little fellows, all of them in direct competition with the farmer on his farm. But five of them have gotten together and produced 64.8 percent of all the oleo made in this country. One of these is Lever Bros., a subsidiary of Unilever, Ltd., of London. This company produces 40 percent of the oleo in the world. One company, one cartel, one international group of monopolists produces 40 percent of the oleomargarine in the world, and a considerably larger percentage of that used here in the United States. They are now completing in this country a new plant for the purpose of utilizing, if the proposed legislation succeeds, not cottonseed oil, not the fine vegetable oils about which our friends in the South are understandably concerned, but coconut oil, which is imported from abroad, which is now protected by a 6 cents a pound levy; because the South, which does not want the dairy interest to have any protection against oleomargarine, insists that it have protection against vegetable oils shipped in from abroad. In other words, this is not an argument which says, "What is sauce for the goose is sauce for the gander." It is an argument which says, "Here is our chance to pluck the dairy farmer of the North," because they insist on that protection. But if it disappears, then coconut oil can be used much more inexpensively in the manufacture of oleomargarine, as the Oleomargarine Trust well knows, than can the vegetable oils of the

United States and the southern section of the country. So, Mr. President, it will be found that we shall have turned over completely to the international cartel and to the international producers the manufacturing of low-cost table spreads for America.

No; it certainly was not the little fellow they were trying to help. I was tremendously impressed by the recital yesterday by our colleague from North Dakota [Mr. LANGER] about who would really get the greatest help in this program. There certainly can be no question that Lever Bros. will be the largest beneficiary, and that organization is one of the big cartels of the world, one of the great monopolies, one of those joining with four other companies in having a virtual monopoly of the oleomargarine business of this country. They are going to be the largest beneficiary.

But they do not lack gratitude, Mr. President. The president of this group for the United States, Mr. Charles Luckman, believes in scratching the backs of people who scratch his. He does not simply accept favors, say, "Thank you," and go home. As we all know, he has accepted the national chairmanship of the "Jefferson-Jackson Day oleomargarine dinners" which are to be held sometime next month, as I understand. It will be the only time in our history when oleomargarine dinners will cost \$100 a plate. So this oleomargarine king, Charley Luckman, has been given by the Democratic National Committee the duty of organizing the dinners and shanghaiing the people to pay \$100 a plate so they can hear speeches about the patron saints of democracy and the benefits of oleomargarine as a table spread. Luckman receives the benefit of the oleomargarine angle, and the people who attend the dinners will receive the benefit of political speeches. I hope oleomargarine will be served instead of butter. I think that would be consistent. This law of diminishing returns should be applied to the political product of this country.

Last night, when I heard that Charley Luckman was going to be the recipient of this great favor which is about to be bestowed upon him by the action of the Democratic National Committee, I thought he was going to raise all the money and have all this whoopla to keep everyone happy, since his trust had had dropped into its lap one of the richest financial plums to come to any monopoly in the history of America, because it will enable him to increase the price of oleomargarine of every color, to increase the price of the poor man's table spread, and, at the same time, prevent competition.

I suppose Charley Luckman has some ideas of his own as to what will be served at the dinners, which are \$100 propositions. I am only a country boy from South Dakota. I do not know what a \$100 dinner tastes like. I let my imagination have full swing, and this is what I think should be the menu:

Of course the donkey emblem of the party will be there. I suppose they will put the donkey emblem on one side and an oleomargarine package on the other

side. That would keep the thing in balance, because I think Luckman is entitled to all the advertising he can get from these dinners for the benefit of the Oleomargarine Trust. There will be some liquid refreshments, of course, and since they have set the pattern of specializing in things foreign, I presume they will start out with some Scotch from Scotland and champagne from France. They can import oleomargarine from any 1 of 40 different countries and still pay tribute to Luckman and Lever Bros. The caviar, of course, will come from Russia. I can think of other reasons why they might want to import something from Russia, but I will limit it to the suggestion that they will get their caviar from Russia because it would not be exactly fair to have an oleomargarine dinner publicizing a victory over American-made butter, and then have other American-made products on the table.

The meat course will be Argentine beef. They will hear much at the dinner about F. D. R., for he is one of the patron saints of the party. I hope, among other things, they will remember that he was the man who said that Argentine beef was cheaper and infinitely better than American beef. So, since they will have oleomargarine, which, according to the Democratic position, is infinitely cheaper and better than American butter, they will have Argentine beef which is infinitely cheaper and better, according to F. D. R., than American beef.

For dessert I suppose there will be plum pudding from England. There will be coffee and nuts from Brazil and cigars from Cuba. Then we shall indeed have a Jefferson-Jackson Day oleomargarine dinner at which neither the American producer nor taxpayer can expect to get a fair break.

I do not know what other reason the Democrats could have for picking out Charley Luckman, because, after all, he will have a great debt to pay the Democratic Party if this proposed legislation is enacted into law.

It is not in the interest of the United States, I think, to pass this bill. It would turn over to too many foreign groups, too many foreign cartels, the right to profit from table spreads, and drive domestic butter out of competition for the enjoyment of the housewife, subjecting her to unfair competition by a product colored and packaged in order to deceive the housewife into thinking she is actually buying butter.

I think, Mr. President—and this is my final position—that it is not in an effort to keep in compliance with American tradition and custom of fair play, decency, and honesty, that the oleomargarine plank of the Democratic national platform is foisted upon us. It is not in conformity with American commercial practice. In this country we have recognized for years copyright privileges. When a person writes a story, a song, or a play, he has a right, because he has developed the particular product, to enjoy a reasonable benefit from it. I hope we shall continue that practice. I should hate to see something which is rightfully extended to playwrights, singers, and authors denied to farmers who

have spent generations publicizing the color of butter as a table spread to such an extent that a Senator from the oleo region, who preceded me in this debate, said that for some reason or other the housewives of American want to color their table spreads yellow. The obvious reason, of course, is that yellow is the color of butter.

If a mechanic invents a device he is permitted to profit by the invention. A few of the more ardent New Dealers have been trying to remove that right. Thus far a sufficient number of Americans agree that it is pretty good sportsmanship, and pretty wise business to issue patents for inventions. So we still have the patent privilege in this country. If a man schemes out a way to do some particular thing, he can get a patent on his invention.

The farmers have found a way to make a table spread. They have developed a product of a certain shape, size, melting consistency, and color, served in a certain style. The oleomargarine trust, with Charley Luckman riding at its head, wants to destroy that particular product which the American farmer has perfected. That is not in conformity with the American concept of fair play. It may be smart politics. It may attract a few deluded voters in the cities at the cost of the American farmer, but it is not in conformity with the American concept of fair play. It is denying to the farmer that which we rightfully extend to the author, the playwright, and the mechanic. We also extend it to business. We even extend to Charley Luckman's oleomargarine trust the right to protect a certain brand name for a certain type of oleomargarine against the competition of a poor local businessman or a group of farmers who may want to make oleomargarine in competition with the monopoly and the international cartel. We deny the new producer of oleomargarine, and, in my opinion, rightfully so, the right to take Charley Luckman's name, his brand, his label, his motto, his description, or his fictitious formula of nutrition values. We protect the monopoly against the small independent competitor in that connection, because there is a copyright law which applies. That is the American system. But butter has had to rely upon a color and consistency and upon being served in little butter plates in hotels and restaurants, according to a custom which has developed over a long period of time. By the tradition of exclusive usage, butter has that right, and Charley Luckman's international cartel has no right to destroy it.

Mr. President, I shall be disappointed in the Senate if, because of plain political chicanery, it allows this bill to be passed, because, in the final analysis, even the consumer in the city will pay more for his table spread, once we take colored oleomargarine out of competition with white oleomargarine. The difference in the price will hurt the people who are presumed to be helped.

Let me say in conclusion, Mr. President, that I think the Senate should adopt the substitute amendment, in which a number of us join, in an effort to provide some degree of satisfaction

to our good friends in the South, who feel that, for some reason or other, oleomargarine is being hampered by the present 10-percent tax. Moreover, we have inserted another protective provision which will meet the principles involved. We continue to give butter an opportunity, within the boundaries of its own State, to enjoy whatever advantage the citizens of the State may suggest.

We provide, in connection with that, repeal of other excise taxes. To me one of the most glaring demonstrations of the purely political conception of this legislation, Mr. President, is that it singles out one excise tax, the tax on oleomargarine, and says, "We are going to eliminate that," and says nothing about all the other excise taxes in which all the other citizens are interested, which pyramid the living cost for all the families using oleomargarine and all the families rejecting oleomargarine.

If we wish to be consistent, we must give the Members of the Senate a chance to vote a very consistent point of view, because we have added as a proposed amendment an excise tax repealer which includes the repeal of the excise tax on oleomargarine, and includes, in addition, repeal or reduction to a prewar level of the excise taxes on the other articles on which the public is now paying excise taxes—not merely oleomargarine, but all the other things, such as furs, toilet preparations, telegraph and telephone, and radio and cable facilities; the tax on jewelry, electric light bulbs, and tubes; the tax on women's purses, and the tax on admissions; as well as other taxes which certainly take more out of the taxpayer's pocket than the 10-cent-a-pound tax on oleomargarine.

If that is logic, there will be a chance to vote for that kind of legislation, which will provide a still fairer basis of economic cooperation between the butter producer and the oleomargarine producer, and at the same time give genuine relief to the American taxpayer clear across the board.

Mr. President, I hope the substitute will be adopted. If the substitute is not adopted, then I hope that the Senate will reject the Fulbright bill, H. R. 2023, and defeat this unconscionable effort to increase the already rich profits of the oleomargarine trust at the expense of the American farmer. If we can induce enough of our Democratic friends to come along and do that, and if because they have left his ship of state—Charley Luckman refuses to head up the Jefferson-Jackson Day oleomargarine dinners, we shall try to find them a good Republican leader for the patriotic dinner, and provide free tabs of butter so that they may have a good American feast.

Mr. WILEY. Mr. President, I expect to suggest the absence of a quorum, but before I do so I wish to compliment the distinguished Senator from South Dakota and I wish to add one little item in relation to what he spoke of as to what might be called the common-law copyright in color.

It is a strange thing that the Yellow Cab Co. can go into the courts, and has done so, restraining competitors from using the color yellow on their cabs; it

is a strange thing that Mr. Luckman's company can go into the courts and restrain the use of the red color in soap, and get protection; it is a strange thing that this common-law copyright has been used under the circumstances so dynamically and forcefully outlined by the distinguished Senator from South Dakota and at the same time, the farmer can be sold down the river, which is what will happen if the Senate refuses to take appropriate action by rejecting the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Brewster	Hoey	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Myers
Butler	Hunt	Neely
Cain	Ives	O'Connor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Darby	Kefauver	Saltonstall
Donnell	Kem	Schoeppel
Douglas	Kilgore	Smith, Maine
Downey	Knowland	Smith, N. J.
Dworschak	Langer	Sparkman
Eastland	Leahy	Stennis
Eaton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Vandenberg
Graham	McKellar	Watkins
Green	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Young

The PRESIDING OFFICER (Mr. HOL-
LAND in the chair). A quorum is present.

Mr. FERGUSON. Mr. President, I rise to speak in support of the substitute amendment to H. R. 2023, which is known as the Wiley-Gillette amendment and which I have the pleasure of cosponsoring along with 25 other Senators from both sides of the aisle.

In view of all the verbiage which has surrounded this issue, it may be well to restate now what the substitute amendment provides.

It removes all Federal taxes and license fees in the sale of oleomargarine. It prohibits the movement of yellow oleomargarine in interstate commerce. It makes no change in the applicability of the pure food and drug laws. It permits the States to take any further steps they may consider necessary, in accordance with their own interests or desires, to regulate the production and sale of colored oleomargarine.

Mr. President, it does in fact preserve States' rights in this field. All of us know, and it is all too true, that today States' rights are disappearing in many fields; but it appears that this is one field in which we would do well to preserve States' rights.

It is also proposed to revise the Wiley-Gillette amendment so as to incorporate a provision for the repeal of the wartime excise taxes imposed by the Revenue Act of 1943 on jewelry, furs, toilet preparations, electric light bulbs and tubes, communications, transportation of persons,

theater admissions, and so forth. The revision also contemplates a repeal of the retail tax on luggage, restoring the former manufacturer's tax instead; and it would reduce the tax on photographic supplies, including films, to a uniform 10 percent.

The able senior Senator from Wisconsin [Mr. WILEY] has also taken as part of his amendment the amendment proposed by the junior Senator from Wisconsin [Mr. MCCARTHY], which prohibits certain advertising and certain other things which should be considered fraudulent.

There is, I am sure, a prevailing sentiment throughout the country for the removal or reduction of these excise taxes.

Like the oleomargarine tax, they were imposed for regulatory purposes. They were imposed during the war to discourage the manufacture and sale of certain commodities and services. During the war the Government saw fit to levy the excise taxes in order that the people would not buy, and thus the manufacture of goods of a luxury nature would be discouraged, and in that way industry could devote itself to the principal job or producing the necessities of life, as they were considered in wartime, and also war munitions. As such regulatory prohibitions, those excise taxes were purely of an emergency nature. No matter how attractive their revenue features, they have no place in a peace-time economy.

I think it wholly appropriate that this additional provision for the repeal of excise taxes be included in the amendment, in connection with the repeal of another excise tax—that on oleomargarine.

Mr. President, two interests are involved in this controversy. They are essentially the interests which are involved in every economic issue, namely, those of the producer and those of the consumer. In what I shall say at this time, I shall not cover the subject which was so thoroughly covered earlier today by the distinguished Senator from South Dakota [Mr. MUNDT], when he discussed the question of monopoly and cartel. He analyzed that phase of the question, and I think he demonstrated very clearly that the small manufacturer and the small-business man receive lip service and the crumbs which fall from the table, but the monopoly and the cartel get the dollars and the banquet.

The Senator from South Dakota told us today what he believed to be the proper designation of the menu, when he referred to the oleo dinners which are about to be had at \$100 a plate. I am surprised that he did not also say that at the end of the meal, those who partake of those dinners would find in their finger bowls, not the ordinary rose petals, but soap bubbles, probably from Lifebuoy, which would prevent any odor of what had happened as a result of the activities of this cartel, and also, perhaps, Lux bubbles, so that no one would shrink from the protection being given to the cartel.

Mr. President, it seems to me perfectly certain that the interests of the consumer are involved in the oleomargarine issue. The consumer is entitled to obtain oleomargarine, if it is his pref-

erence, without the imposition of arbitrary, discriminatory Federal taxes. I believe that the consumer likewise is entitled to protection by the Federal Government from any fraudulent substitution of oleomargarine for butter, should butter be the consumer's choice. I take it that there is no dispute that in every way possible the manufacturers of oleomargarine have sought to imitate the qualities and characteristics of butter. Imitation is flattery, but it may be carried to the point of serious invasion of proprietary rights, in the form of unfair competition, as well as an invasion of the right of personal preference. That proposition has been consistently maintained by our courts and, as a matter of fact, is the basis of the legislative precedent for the pending substitute amendment.

The proposed substitute amendment is patterned after the Federal Filled Milk Act of 1923 which prohibits the shipment of filled milk in interstate commerce. Filled milk is an imitation product resembling evaporated milk. It is a product in which vegetable oils have been substituted for the butterfat found in pure evaporated milk, just as oleomargarine is a product in which vegetable fats and oils are substituted for the butterfat of pure butter.

The Supreme Court has twice upheld the constitutionality of the Filled Milk Act, and in a 1944 case the Court pointed out that filled milk compounds lend themselves readily to substitution for or confusion with milk products and that they are artificial or manufactured foods which are cheaper to produce than similar whole milk products. The Court said:

When compounded and canned, whether enriched or not, they are indistinguishable by the ordinary consumer from processed natural milk. * * * The possibility and actuality of confusion, deception, and substitution was appraised by Congress. The prevention of such practices or dangers through control of shipments in interstate commerce is within the power of Congress.

Mr. President, that is exactly what we have before us today, namely, the question of whether Congress should say that in the present case the possibility and probability of fraud should be stopped at the State line. If we consider the filled milk case, about which the Supreme Court was talking, and if we then substitute the phrase "possibility and actuality of confusion, deception, and substitution" in the case of the substitution of oleomargarine for butter, we shall have the reasons for the proposed amendment, which is submitted in the exercise of the Federal Government's authority to protect the consumer against possible fraud.

The exercise of governmental authority to prevent the possibility and actuality of an adequately identified butter substitution at the expense of the consumer does not prevent the consumer from exercising his preference, if he has one, for an adequately identified butter substitute. Obviously it is desirable that the producer of butter shall have a fair opportunity to manufacture and market his product; and the amendment in the

nature of a substitute is no more than a minimum step in that direction.

Mr. President, it is a well-known fact that the States cannot act in the same fields of law in which the Federal Congress has jurisdiction and in which the Congress acts—such as the field of interstate commerce. This amendment is no more nor less than a declaration of policy, a declaration that Congress is not acting in the field which is reserved to the States in their home territory in relation to colored oleomargarine or insofar as the protection of its citizens from fraud is concerned. Therefore, it is proper to permit States' rights to function in this field, under the police power of the States, to determine how the citizens of the States should be protected from fraud. I am gravely concerned about the consequences, should that element of fair competition not be preserved. I fear greatly for the consequent impact upon the economy of this country.

My own State is vitally affected. Michigan is rightly noted throughout the world for its automobiles and its industrial products. But agriculture is equally the strength of the State's economy. We rank among the first eight States, I believe, in our agricultural product; dairying represents over 40 percent of Michigan farm income.

The inroads upon agriculture of unfair colored oleomargarine competition with butter have been terrific. Farmers receive 75 percent of the consumer's butter dollar. The oleo manufacturer's margins are tremendous and cut down the farmer's share of the oleo dollar to about 30 percent. Farmers receive 50 cents per pound for butter and less than 8 cents per pound for oleo. For each pound of oleo sold to replace butter, the income to dairy farmers is cut 42 cents. That is why we must consider whether we are fostering and helping monopoly, rather than the small farmer, if we enact the bill which is now pending. In this particular field, the farmer's wife who has one cow or a few cows must be considered a manufacturer, when she is producing butter in competition with the trusts which produce oleomargarine. That is true because the oils and fat that go into oleo are produced under certain processing conditions. Butterfat is obtained from the milk of the cow.

I am told that Michigan farmers are losing \$26,500,000 a year at the present time due to the substitution of oleo for butter. It is a staggering inroad, which could be justified only if the competition between the two products were absolutely fair. Those inroads are not confined alone to dairy incomes. The economic ramifications are endless.

Mr. President, the farmers of the United States have been able to conserve land, they have been able to obtain a better income, and to enjoy better economic conditions than have the farmers of other lands, because of the dairy cow. As one travels, he finds that the number of cows in America compared to the number in other countries is much greater. We see them all over the landscape, throughout our country. They

have been of real economic aid to America's standard of living. I could not help but realize, as I saw the lack of dairy cows in other lands, that the dairy cow is used in America, and was used originally as the only fertilizer so far as farms were concerned; but with the development of chemical fertilizers, naturally many persons think the cow has no place in this field. I should like to relate to the Senate my experiences in visiting a farm in Iran recently. A former premier took me out one morning to see what he said was the building of a farm. He was taking the top soil from the sides of the hills, digging it up to a depth of 3 feet, removing the larger stones and boulders, and taking the finer gravel for the top surface. It was then necessary for him to go down into the earth to get water. He had to dig holes and finally locate a stream, and then follow the stream until he could bring the water to the surface. It was hard work, as it was to obtain soil. He then said he would like to take me down to a place where he raised chickens, pigeons, ducks, and geese. I asked him about his income from their meat and eggs. He said, "That is not at all the purpose in having these pigeons, chickens, geese, and ducks. I keep them solely to fertilize the land." That showed how important it was to have fertilizer on the farm. It brought back to my mind the days when, here in America, we had only the animals on the farms as a means of fertilizing the land. The same thing was brought forcefully to my attention in Siam, where all the farming is done by hand. There we saw black fertilizer being thrown on the embankment, which had been made. When we inquired the nature of the fertilizer, we were told it was the fertilizer from bats which had come from caves in the mountains several hundred miles distant. It again showed me the importance of fertilizer to farm land.

But as I was saying, the economic ramifications are endless. Since 1944 we have lost more than 2,840,000 of our milk-cow population in this country, over 890,000 of them in 1948. This depletion of dairy herds has coincided exactly with the increase in the unrestricted manufacture and distribution of yellow-colored oleomargarine.

The implications of that depletion are felt not just by the 2,500,000 dairy farmers in this country to whom it represents a decline in income. It is felt by all the 10,000,000 people in this country who derive their living from the dairy industry through the processing of dairy products, and by the countless others whose services and products, such as feed and farm equipment, are purchased by the dairy industry.

Just to illustrate that point, I am reminded of one experience in the utilization of agricultural products, which is recognized as so essential to the national economy. Michigan, as you may know, is one of the great sugar-beet producers of the country. It is a foremost agricultural product of the State. For many years the processing of sugar beets entailed a great wastage in pulp, which was

dumped into rivers and streams until their pollution became a serious conservation problem. Because of its nature it could not be dumped in the open. Its disposal was a major problem in the sugar-beet industry.

Then Mr. Laroe, a Michigan feed merchant, who had traveled in Europe and observed there a means of processing the pulp as dairy feed, went to the beet-sugar manufacturers with a proposition. "How much will you charge to take this stuff away?" they asked him. "Charge you nothing," he replied, "I'll pay you for it." And so the value of the sugar-beet product in Michigan was increased immensely as its processed pulp found an abundant market among the herdsmen of the country.

The same may be said of brewers' grain, and many other such products. Where will the market go if the dairy herds continue to diminish?

Where will a market be found for vegetable crops, such as soybean, linseed, and cottonseed meal if our milk-cow herds disappear?

Although less capable of immediate observation, an even more important consideration in the stripping of dairying as an agricultural activity is its effect on soil conservation. Food production, and its distribution, is the great problem of the human race. Hanging over the race is the knowledge, in the greater part of the United States, that only 6 inches of topsoil separates it from starvation. The United States Government is spending millions of dollars on soil conservation, and today we find ourselves considering the passage of conflicting legislation, apparently its effect on the millions of dollars we are disbursing in order to conserve the soil of America.

The conservation of our natural resources and the soil in particular is a major concern for every one of us. Any farm economist can testify that it is impossible to maintain a proper soil conservation while reducing our livestock population.

For once, I have had occasion to agree with Secretary of Agriculture Brannan when he wrote in an article for *Country Gentleman*:

Sometimes we have the good fortune to be in a position where the things we want to do are the things we ought to do. That's the way it is now with agriculture. The major change we ought to make in our agricultural pattern is to increase livestock numbers and the acreage of soil-conserving grasses and legumes to support them. That would be good for the land, good for consumers, and good for farmers. In fact, the economic stability of a large part of American agriculture, before another decade ends, may depend upon a big enough increase in livestock numbers to eat what otherwise may be surplus grain, and enough dollars in the pockets of city consumers to buy the resulting increase of meat and dairy products. At the same time, increased emphasis on soil conservation will be necessary in order to make sure that production will be adequate in the more distant future.

Every year a dairy farm becomes more productive, more valuable in promoting the natural wealth to the country. A grass farm is wholly resistant

to erosion. On the other hand, the crops which will be substituted for pasture in the production of vegetable oils for oleo are among the worst of the soil depleters.

The effect of the depletion of dairy herds will be felt by the food consumer. Almost 75 percent of the veal which is sold in American butcher shops comes from dairy herds and a full quarter of the medium-grade beef. Where will these popular meat dishes be supplied if the dairy herds are depleted, and what will happen then to the price of meat?

Mr. President, it is the purpose of those who manufacture oleo to put the producers of butter out of business. They would prevent the production of a pound of butter. In this war between the monopolies let us not think that the 35 oleo manufacturers in the United States will not enter this field with a determination to monopolize it entirely. That is the purpose of removing the 10-cent tax on oleo. The purpose will also be to remove the 22-cent importation tax, and then an effort will be made to put butter out of business.

Mr. President, these are major considerations for every one of us in considering the present legislation. They rest on the proposition that dairying, which depends upon butter production for its stability, must inevitably suffer tremendously if butter is not given minimum protection in its competitive position with oleomargarine. That minimum protection is to prevent fraud and deception of the persons who consume it.

There are other considerations which bear noting. For one thing, I am satisfied that the low cost of oleomargarine as a substitute for butter, which is held out as being so attractive to the consumer, is largely illusory. It is cheap today because it must compete with butter for favor. Let it retain that price advantage for a while, and through its unregulated production largely remove butter from the market. Then watch the cartels which are behind oleo production seize their opportunity to skyrocket its price. Combine that result with all the other economic implications of a decline in the dairying industry, and then measure the result. It will be only a loss.

This is not a field in which small business will ever become a dominant factor. Small business will never be engaged in the manufacture of oleo. It does not lend itself to small business.

Mr. President, the substitute amendment seeks merely to forestall these consequences and many other implications.

It seeks to do so by placing the weight of the Federal Government behind the consumer's right to protection against fraud in his freedom of choice.

It seeks to acknowledge butter's request for a fair competitive position.

It leaves to the States any exceptions they may wish to make in the exercise of their inherent regulatory powers.

Mr. President, I am informed that the bill, without the substitute amendment, would require \$95,000,000 in order properly to carry out its intent, and provide necessary regulations and enforcement. If the amendment be adopted the States

alone will be responsible for regulation, so far as fraud is concerned. We are leaving to the people of the States the determination of what they desire to do in their particular States.

I hope that the far-seeing Members of this body, concerned with the interests of both producer and consumer and the national economy as a whole, will support the substitute amendment.

Mr. LUCAS. Mr. President, in order to make some progress, I am wondering whether the distinguished Senator from Arkansas, who is in charge of the bill, will consider accepting the so-called McCarthy amendment and taking it to conference. That would remove one amendment out of the way.

Mr. FULBRIGHT. I will say to the distinguished majority leader that the McCarthy amendment is not objectionable to us. The only question is the phraseology of one portion of it, which seems to me to be too expensive in its application. I am disposed, with the agreement of the Senator from Georgia [Mr. GEORGE], who is quite familiar with the situation, to take the amendment to conference with the thought that the language which I think is too extensive may be properly limited. I do not think it is a serious defect. It is merely a matter of drafting. I think the remainder of the amendment is acceptable. We have never contended that we wanted oleomargarine to be disguised and presented as butter. The Aiken amendment which was offered this morning is a strengthening amendment, and my understanding is that the Senator from Vermont felt it offered a better safeguard against the objections. So, Mr. President, I am disposed to accept the McCarthy amendment and take it to conference.

Mr. LUCAS. I thank the Senator from Arkansas for accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin as modified by the Senator from Vermont.

The amendment, as modified, was agreed to.

Mr. LUCAS. That ends it, of course, Mr. President, but I still wish to make the statement which I started to make. I do not think I was taken off my feet by the distinguished Senator who now occupies the chair when he put the question before I had an opportunity to say anything with reference to it. I merely want to compliment the Senator from Arkansas for accepting the amendment, because I agree with him with respect to the identification of margarine. The amendment is not in opposition to the position of the Senators who favor the bill.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. What is the next amendment?

The PRESIDING OFFICER. The question recurs on the substitute amendment offered by the Senator from Wisconsin [Mr. WILEY] on behalf of himself and other Senators, subject, of course, to

the right of any Senator to offer perfecting amendments either to the substitute amendment or to the original bill.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. I have various amendments printed and lying on the table. In the natural course of events would my amendments come up for consideration before the other amendments?

The PRESIDING OFFICER. The Senator from North Dakota has offered amendments. If amendments are offered to the original bill they would be voted upon before the substitute amendment offered by the Senator from Wisconsin would be voted upon.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. In the event the substitute amendment should be adopted, what would be the position of the amendments with respect to civil rights offered by the Senator from North Dakota?

The PRESIDING OFFICER. If the substitute is agreed to, no further amendment would be in order.

Mr. McCARTHY. I think no further amendment will be offered to the substitute.

The PRESIDING OFFICER. If the substitute is rejected, then the original bill is open to further amendment.

Mr. WILEY. Mr. President, my understanding is that the Senate accepted the McCarthy-Aiken amendment to the original bill. Is that correct?

The PRESIDING OFFICER. The amendment was agreed to by action of the Senate.

Mr. WILEY. Did it include the Aiken amendment?

The PRESIDING OFFICER. It included the Aiken amendment. It was the McCarthy amendment as modified by the Aiken amendment.

NOMINATIONS REPORTED

Mr. TYDINGS. Mr. President, from the Committee on Armed Services, I report the following nominations for the Executive Calendar:

Hubert E. Howard, to be Chairman of the Munitions Board; John F. Floberg, to be Assistant Secretary of the Navy; Maj. Gen. James H. Burns, United States Army, to be Assistant Secretary of Defense; and Adm. Forrest P. Sherman, United States Navy, to be Chief of Naval Operations.

I ask that the civilian nominations go to the calendar.

The PRESIDING OFFICER. The civilian nominations will be placed on the calendar.

NOMINATION OF CHIEF OF NAVAL OPERATIONS

Mr. TYDINGS. Mr. President, I ask unanimous consent, as in executive session, that the nomination of Admiral Forrest P. Sherman, to be Chief of Naval Operations, be confirmed and that the President be notified. I make the request for the reason that there has been no confirmed Chief of Naval Operations

Since last August. The committee has had full and extensive hearings on the nomination, and the report was unanimous, accompanied by the prayer that the nomination might be considered immediately, in view of the national defense. I hope this one nomination, which comes unanimously from the committee, may be confirmed and the President may be notified.

Mr. LANGER. Mr. President, very reluctantly, I am obliged to object. There are only a dozen Senators on the floor. I shall have no objection when the nomination comes to the floor in its regular course, but I think that when we are considering another measure we should not interrupt the debate to bring up a matter of this kind.

Mr. TYDINGS. Mr. President, if I may make rejoinder to the distinguished Senator from North Dakota, I suggest to him that the committee has gone into this matter fully, and if it did not come from the committee unanimously, with the full committee present, the Senator from Maryland would not make the request. The committee is a very able one, and because this post has been only semiofficial since last August, and because the Senator from Maryland realizes the implications of the national defense, he thought that this one nomination of the Chief of Naval Operations, in view of the unanimous report of the committee, and the long time the appointment has been in abeyance might be confirmed and the President notified at once, solely in the interest of national defense. I hope my good friend from North Dakota will make an exception in this case, because this is not a political appointment; it is routine, and the officer is a very important part of our national-defense machinery. The other nominations I am perfectly satisfied to have go over.

Mr. LANGER. Replying to the distinguished Senator from Maryland, if he wishes to ask for a quorum call, and we have a quorum, I have no objection.

Mr. TYDINGS. I appreciate that, but I doubt if we can do that, in view of the fact that the Senator from Wisconsin has already yielded to me for this purpose, but I venture to say to the distinguished Senator from North Dakota that if we had a full quorum present the Senator would find that every Member of the Senate would approve the immediate confirmation of this nomination. I hope that the Senator will make an exception to what I know to be a good rule, because this nomination involves our national defense establishment. Conditions in the Far East and all over the world are in a state of great confusion, and this will add one more peg of stability in our defense establishment.

Mr. LANGER. If the post has been vacant since last August, 2 or 3 days more will do no harm.

Mr. TYDINGS. I certainly do not think that is an accurate statement. I hope the Senator will withdraw his objection because it will be most helpful to have the nomination confirmed, and I can assure him that its confirmation will be received throughout the Navy, which has had somewhat of a hard blow recently, as a reaffirmation that the Navy

is back in the picture. It would be a good thing for morale and for the service generally. Will not the Senator reconsider, in view of the fact that all his colleagues on the committee have approved this nomination?

Mr. LANGER. I am almost persuaded by the eloquence of the distinguished Senator from Maryland.

Mr. TYDINGS. I do not like to make horse trades on the floor of the Senate, although I must say there is a little horse-trading blood in my system, but I will say to my able friend from North Dakota that if he will accord full weight to the words the Senator from Maryland has uttered in good faith, the Senator from Maryland hopes some day to reciprocate on a like auspicious occasion when the Senator from North Dakota may have something which he deems important to his country.

Mr. LANGER. I repeat, I am almost persuaded, but it is a matter of principle with me. There are only a few Senators on the floor.

Mr. TYDINGS. If it were anything else but this, I should not even reiterate my request, but this is a routine nomination in one branch of the armed services, and, I can assure the Senator every minute counts. Will not the Senator therefore be willing to waive the rule and let me horse trade with him in private when I get to the point of bringing the mules out on exhibition?

Mr. McCARTHY. I have no serious objection to allowing the Senator to suggest the absence of a quorum so that this matter may be disposed of.

Mr. TYDINGS. Will the Senator yield for the call of a quorum, assuming he will not lose the floor?

Mr. McCARTHY. I shall be delighted to yield.

Mr. TYDINGS. That would satisfy the Senator from North Dakota. I ask unanimous consent that a quorum be called, and that the Senator from Wisconsin may not lose the floor because he yields for this purpose.

Mr. McCARTHY. I might say, before a quorum is called, that it will take infinitely more than this to convince me that it will put the Navy back in the defense picture. I have just looked over the President's budget, and I see that we are now in the unusual position of having a Marine Corps with practically no Marines, and we shall very shortly have a Navy without any ships.

Mr. TYDINGS. I wish to have that straightened out, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Brewster	Hendrickson	Martin
Bricker	Hill	Maybank
Connally	Holland	Morse
Donnell	Jenner	Mundt
Downey	Johnson, Tex.	O'Connor
Dworshak	Knowland	Schoeppel
Ferguson	Langer	Thomas, Okla.
Fulbright	Lehman	Thye
George	Lucas	Tydings
Gillette	McCarran	Wherry
Green	McCarthy	Wiley
Hayden	McMahon	

The PRESIDING OFFICER (Mr. HILL in the chair). A quorum is not present.

The clerk will call the names of absent Senators.

The legislative clerk called the names of the absent Senators as far as the name of Mr. McKELLAR. Mr. FLANDERS, Mr. GURNEY, Mr. KILGORE, and Mr. McCLELLAN answered to their names when called.

Mr. TYDINGS. Mr. President, I ask unanimous consent that the order for the call of the roll to ascertain the presence of a quorum be vacated.

Mr. LANGER. Mr. President, I object.

The PRESIDING OFFICER. The absence of a quorum has already been announced. The order cannot be withdrawn. The clerk will continue to call the names of absent Senators.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Can the order be vacated by unanimous consent?

The PRESIDING OFFICER. No. The absence of a quorum has already been announced. The clerk will continue to call the names of absent Senators.

The legislative clerk resumed calling the names of the absent Senators, and Mr. ROBERTSON, Mr. RUSSELL, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS and Mr. TAYLOR answered to their names when called.

Mr. BRIDGES, Mr. ELLENDER, Mr. WATKINS, Mr. HENDRICKSON, Mr. AIKEN, Mr. FREAR, Mr. KEM, Mr. ANDERSON, Mr. JOHNSTON of South Carolina, Mr. GRAHAM, Mr. McFARLAND, Mr. SALTONSTALL, Mr. MYERS, Mr. WILLIAMS, Mr. HUMPHREY, Mr. RUSSELL, Mr. EASTLAND, Mr. CAPEHART, Mr. BUTLER, Mr. MILLIKIN, Mr. SMITH of New Jersey, Mr. LEAHY, Mr. TOBEY, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. YOUNG, Mr. VANDENBERG, Mr. NEELY, Mr. LODGE, Mr. THOMAS of Utah, Mr. MAGNUSON, Mr. ROBERTSON, Mr. TAFT, Mr. JOHNSON of Colorado, Mr. CHAPMAN, Mr. ECTON, Mr. DOUGLAS, Mr. McKELLAR, Mr. O'MAHONEY, Mr. CORDON, Mr. HOEY, Mr. DARBY, Mr. IVES, Mr. LONG, Mr. HUNT, Mr. PEPPER, Mr. KEFAUVER, Mr. CAIN and Mr. MALONE also entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. STENNIS in the chair). A quorum is present.

The question is on agreeing to the request of the Senator from Maryland [Mr. TYDINGS] for unanimous consent for the consideration, as in executive session, of the nomination of Admiral Forrest P. Sherman, United States Navy, to be Chief of Naval Operations.

Is there objection? The Chair hears none—

Mr. WHERRY. Mr. President—

Mr. TYDINGS. Mr. President, I do not know whether the Senator from Wisconsin [Mr. McCARTHY] heard the Chair ask, "Is there objection?" The Chair was just about to announce there was no objection, I assume.

Mr. McCARTHY. Mr. President, reluctantly I shall be forced to object, not because I have anything against Admiral Sherman, nor because I do not think he may be a competent man for the job. I do not happen to be a member of the

Armed Services Committee, which I understand held hearings today on the nomination of Admiral Sherman. I think this is a matter so important that all of us should have an opportunity at least to scan those hearings before he is confirmed.

I may say that when the question of confirmation of the nomination of Admiral Sherman comes before us I shall want to discuss at some length a situation which I think is viciously dangerous to the security of the Nation, namely, the current usurpation of congressional prerogatives by the "Brass" in the Pentagon, and the complete iron curtain which has been established around the Pentagon, so that congressional committees can no longer obtain important information. At that time I shall also want to discuss in some detail the unusual circumstances under which Admiral Denfeld's nomination was withdrawn. The Senate confirmed the nomination of Admiral Denfeld. The President and the Senate considered him a competent man. As I recall, not a single voice was raised against the confirmation of his nomination.

Since that time, however, Admiral Denfeld, in answer to a subpoena, came before a congressional committee and there performed not only his duty under subpoena but also the statutory duty which we established when we passed the unification act, namely, the duty to tell the Congress honestly and frankly what he thought was wrong with the unification of the armed services. He did so. Immediately afterward, his nomination was nullified by his removal from the position by the President.

At the time when the question of confirmation of the nomination of Admiral Sherman comes before us, I wish to discuss not only that matter, but also the Crommelin case. Captain Crommelin, with whom I served in the Pacific, I consider to be one of the outstanding heroes of the last war—a brilliant man coming from a family which has an outstanding military record. That man, because he has the intestinal fortitude—the guts, if you please—to try to safeguard the Nation against a bad situation in the Pentagon, has had his career in the Navy practically ended. I wish to discuss that case also in some detail. I think the proper time to discuss it is when the nomination of the successor to Admiral Denfeld is before us for confirmation.

I have not had a chance to go over the Armed Services Committee's hearings. I shall do so tonight; and tomorrow I shall withdraw any objection to the immediate consideration of the nomination of Admiral Sherman.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MCCARTHY. I yield.

Mr. TYDINGS. I wish to thank the Senator from Wisconsin for his courtesy in yielding me the floor, and I wish to thank the Senator from North Dakota for making it possible for us to consider the unanimous-consent request.

However, in view of what the Senator from Wisconsin has said, I withdraw the

request for the consideration of the nomination.

The PRESIDING OFFICER. The request is withdrawn, and the nomination will be placed on the Executive Calendar.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The PRESIDING OFFICER. The question recurs on agreeing to the substitute amendment of the Senator from Wisconsin.

Mr. LUCAS. Mr. President, will the Senator from Wisconsin yield, to permit me to propound a unanimous-consent request?

Mr. MCCARTHY. I am glad to yield.

Mr. LUCAS. Mr. President, preliminarily, I should like to say that we have been discussing the pending question, namely, the bill to repeal the oleomargarine tax, and for other purposes, since a week ago Wednesday, as I recall. It seems to me we have debated the issues rather thoroughly. There is not really very much of an issue involved. The Members of the Senate on both sides of the question have been afforded an opportunity to present their views, and of course there will be further time to do so under the unanimous-consent agreement which I shall propose, if it is agreed to.

What I hope to do is secure consent to have the Senate reach a vote tomorrow on the substitute offered by the distinguished Senator from Wisconsin [Mr. WILEY] and the distinguished Senator from Iowa [Mr. GILLETTE]. I am making the unanimous-consent request in the sincere hope that it will be agreed to.

I now ask unanimous consent that on the calendar day of Friday, January 13, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the so-called Wiley-Gillette substitute for House bill 2023 to regulate oleomargarine, repeal certain taxes relating to oleomargarine, and for other purposes, and all amendments thereto which are germane, including the so-called excise tax provisions; that the time between 12 o'clock and 4 o'clock p. m. on said day be equally divided between the proponents and the opponents of said bill, and be controlled respectively by the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Wisconsin [Mr. WILEY].

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. Would that include any motions? To put the matter concretely, let me say that some suggestion has been made that it might be advisable that a motion be made to strike from the substitute the excise tax repeal provisions. Thus we would get an express vote on that; and after that was over, we would then get a vote on the substitute, as modified.

Mr. YOUNG. Mr. President, will the Senator please speak a little louder so that all of us can hear?

Mr. WILEY. There has been some talk about specific objection being made to the excise tax repeal provisions of the substitute. So I am asking the majority leader whether his unanimous-consent request would include any motion proposing to strike out those provisions. There would simply be a motion by some Senator to strike out. I wish to protect the rights of a Senator who has suggested that.

Mr. LUCAS. In reply to the Senator from Wisconsin, let me say that the agreement, if entered into, undoubtedly would protect that right. In other words, the Senator from Washington already has served notice on the Senate that at the proper time he will move to strike from the substitute the provisions dealing with the repeal of excise taxes. This unanimous-consent request would cover that motion.

Mr. WILEY. I had that in mind because of the discussion the other day. I thought one or two exchanges indicated possibly a lack of proper consideration of my brethren, and I wanted to make sure their rights in that particular were protected.

Mr. LUCAS. There can be no question about that, I may say to the Senator from Wisconsin.

Mr. WILEY. Mr. President, may I at this time ask whether there are any other amendments to the substitute pending?

Mr. LUCAS. That is a parliamentary question I cannot answer.

The PRESIDING OFFICER. There are no amendments pending to the substitute.

Mr. WHERRY. Mr. President, a parliamentary inquiry, if the Senator will yield.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. WHERRY. Any amendments which have been offered, which are on the table, or which have been called up, could be offered to the substitute, or to the original bill, could they not?

The PRESIDING OFFICER. It would be in order for amendments to be offered.

Mr. WHERRY. One or two amendments may be offered. I do not desire to hold up the request; in fact, I should like to get a vote on the substitute as quickly as possible. Personally I feel that the sooner we have a vote, the better. But I think it should be understood by those who are offering amendments that, unless an amendment is offered to the substitute before the substitute is adopted, they will then be foreclosed from amending the substitute, and the substitute will become the bill itself. Until that is clearly understood, it seems to me that those who have offered amendments should be informed of the procedure. If the majority leader is to press the request, I should like an opportunity to consult further one or two Senators who felt that there would not be a vote today on an amendment they might offer. Later on this afternoon, if no one else objects, if the Senator then presents his unanimous-consent request—

Mr. WILEY. Or tomorrow?

Mr. WHERRY. Or tomorrow would be all right—I would not say then that I

would agree, but I should like to be certain that they are informed of the parliamentary situation before unanimous consent is given.

Mr. LUCAS. The unanimous-consent agreement, of course, provides for a vote at 4 o'clock tomorrow.

Mr. WHERRY. I know, but if we enter into it now, of course, they will then be foreclosed.

Mr. LUCAS. I understand.

Mr. WHERRY. I myself am not objecting, and I am not sure the Senators I have in mind will object. All I am asking is that the distinguished majority leader present his unanimous consent request later on in the afternoon, if he is willing to do that. If the amendments are not to be offered, it does not make any difference whether we vote today or tomorrow.

Mr. LUCAS. Of course, that would call for another quorum call.

Mr. WHERRY. I really think we should have another quorum call in connection with the unanimous-consent request, because, if it is agreed to, then, we shall have to vote on the substitute for the original bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McCARTHY. I decline to yield any further, unless there is a chance of getting the unanimous-consent agreement. I have been yielding for about half an hour. Under ordinary circumstances I quite enjoy yielding. At the present time, however, the situation is that we have a very important meeting of the District Committee at 4 o'clock. We are reorganizing the committee. I have only about 20 minutes in which to speak, so I frankly must decline to yield further for any lengthy discourse.

Mr. AIKEN. I merely wanted to make a parliamentary inquiry as to whether, if unanimous consent is given to vote on the Gillette-Wiley amendment tomorrow, and the amendment is adopted, it will preclude the offering of any amendment to it at that time, because the Gillette-Wiley amendment would then become the bill itself and be subject to amendment.

Mr. WHERRY. I do not agree with the Senator.

Mr. AIKEN. I am asking the Presiding Officer for a ruling.

Mr. ROBERTSON. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER. Under the precedents, the adoption of the substitute will preclude other amendments.

Mr. McCARTHY. Mr. President, I must decline to yield further. I shall hold the floor for about 10 minutes only.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield further.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry. Was the request for unanimous consent refused?

Mr. McCARTHY. I decline to yield for a parliamentary inquiry, or for any other purpose. I intend to yield the floor in about 10 minutes. I am sure the Senator can wait that long. I decline to yield further only because I have been yielding for about a half an hour, and I have an important meeting at 4 o'clock.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed.

Mr. McCARTHY. Mr. President, I may say I sincerely hope the request of the majority leader will be granted. I sincerely hope we can get a vote on the pending bill tomorrow. I think by then it will have been fully and completely discussed.

I wish to thank the able Senator from Arkansas for accepting the McCarthy-Aiken amendments. I think his acceptance of those amendments makes his bill much less obnoxious, insofar as both the dairy farmers and the consumers are concerned.

I am very happy that we finally arrived at a clear-cut issue. The issue no longer is whether oleomargarine taxes are to be repealed. The dairy farmers, and the oleo interests are agreed that we should remove the taxes. The sole question now is, how much protection will be accorded the producer and the consumer. I believe the sole issue for debate now is the issue of fraud—an issue which neither the dairy farmers nor the consumers have created but an issue which the oleo monopoly itself has created by its own inequities of the past. The principal source of fraud is the attempted imitation of butter even down to the minutest detail of packaging. Certainly the housewife cannot gain any advantage by this type of fraud. Certainly the dairy farmer will gain nothing. The oleo monopoly, of course, will gain if they are allowed to continue this type of fraud and deception. If they can accomplish the sly removal of the few restraints which are now in existence our dairy farmers can go into bankruptcy. Whether the oleo manufacturers as a whole plan to perpetrate such frauds, the fact remains that the liberties they demand would make it easy for them to do so.

In my opinion, Mr. President, the oleo monopoly—and I use the phrase "oleo monopoly" advisedly—is to be roundly condemned for its insistence upon freedom from all restraints. Our own good sense tells us that the oleo manufacturers, even if they wanted to, could not control the actions of every retailer and every store clerk in the country, if we pass the type of legislation they request. Why then do they insist on exposing the consumers of the Nation to fraud? The answer is obvious. Even today, under existing regulatory taxes, the basic principles of commercial honesty are flouted by this gigantic monopoly and its large-scale distributors. Why should we believe that the oleo monopoly is to be trusted in the future, when we have never been able to trust it in the past and cannot trust it now?

Mr. President, let me demonstrate the truth of my last statement. I have with me two wax cartons, one of which has long been used by a leading butter producer, a farmer-owned and farmer-controlled cooperative. On each of the two main surfaces of this carton there appears a seal which declares that the contents are "Grade AA Butter." As every housewife knows, grade AA butter is butter of the very top quality—93-score butter, to be exact. Not every butter pro-

ducer is able to achieve that quality. It brings a top price. It can only be sold with the approval of Government inspectors, who assign it high marks for texture and taste.

Mr. President, in my other hand I hold a carton recently adopted by Durkee—and remember the name, if you will—an oleo manufacturer, for distribution in the same territory where the butter producer does business. What do we find on the two main surfaces of this carton? We see that this oleomargarine is also labeled "Grade AA," despite the fact that there is no Federal grading whatever for oleomargarine. This oleo manufacturer clearly seeks a free ride on the coat-tails of the butter producer, who has established the grade AA rating as a symbol for the best in table spreads. Just to make the point a little more obvious, this oleo manufacturer has also applied the words "Grade AA" in even larger letters to one end of his box. The carton itself exactly follows the size and shape of the butter producer's carton, although in other parts of the country where dairy concerns use the familiar square box, oleo manufacturers also feel impelled to use square boxes.

Mr. President, why do you suppose the oleo industry follows the butter producers so closely in these matters? Is it because they lack faith in their own product and the courage to let it stand on its own merits? Or is it because it is commercially more profitable to imitate in every respect the packaging of another man's product, a recognized product, a quality product, that already has universal acceptance?

Turning this same oleo carton on its side we discover a travesty of the Government's own certificate of approval printed along one edge, and superimposed on that spurious certificate is a red stamp carrying the letters "AA" and the word "certified." Who has "certified" this oleo to be "grade AA"? None other than Durkee's Famous Foods, a concern that offers "with pride and confidence"—and I am quoting the label now—an oleo which uses "pasteurized fat-free milk."

That is a tricky phrase, Mr. President—"pasteurized fat-free milk." I lived on a farm for some time. We used to feed the hogs skim milk. We never tried to deceive the hogs and say "This is pasteurized fat-free milk."

Moreover, the manufacturers of Durkee's Famous Foods are not in the dairy industry, as I am advised in very small type by something which looks a great deal like a Good Housekeeping seal of approval. It would seem like Durkee's Famous Foods belong to a family classed roughly as "Glidden quality products." Somewhere in the back of my mind I associate the name Glidden with paints; and, sure enough, it turns out that this oleomargarine is the product of the gigantic Glidden Corp., which makes paints.

Mr. President, I have accustomed myself to the idea that oleomargarine and soap are first cousins, and that, indeed, the difference occurs only in the final stage of conception. If the fats and oils people turn a knob one way, their cottonseed, or soybean, or palm oils come

out as laundry soap, or bath soap, or even soap flakes. If, however, they turn the knob the other way at the last moment, they get oleomargarine—"fresh churned," so they say—in the aforementioned "pasteurized fat-free milk." When I use the expression "fresh churned" I am again quoting from the oleo industry's own misleading advertisements.

They are playing upon the lack of knowledge of the consumer when they talk about fresh-churned fat-free milk. As any farmer or any consumer who has taken time to study the subject knows, there is no such thing as fresh-churned fat-free milk.

I ask the Senator from Minnesota [Mr. THYE], who also was a farmer, whether there is any way to churn "fat-free milk."

Mr. THYE. I will say to the able Senator that we can churn it and tumble it around all we like to, but no butter comes out of skim milk.

Mr. McCARTHY. I thank the Senator.

I have here another very interesting advertisement. It is another Durkee advertisement. It uses the words "country fresh." It displays a large picture of what at first glance appears to be a butter carton. There is a drawing of a barn, a silo, and a pasture.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. In view of the fact that I have accepted the Senator's amendment, I should like to inquire the Senator's purpose in discussing it further—

Mr. McCARTHY. Mr. President, I was very happy that the Senator from Arkansas accepted the amendment and promised to take it to conference. I want to show the need for acceptance of the amendment in conference, however. I think, unless it is accepted, extremely bad legislation will result. I am discussing it at this time to show the Senate the necessity of insistence that we retain the McCarthy-Aiken amendment in conference.

Mr. FULBRIGHT. The only difficulty is that if by chance the Wiley substitute is adopted, which prohibits the shipment of margarine in interstate commerce, it would seem to me that it would take margarine beyond the jurisdiction of the Federal Trade Commission, and it would be inconsistent to undertake to regulate something and then to declare that it cannot be moved in interstate commerce. I would not be in favor the Wiley amendment. That would seem to take away jurisdiction over the greater part of the business.

Mr. McCARTHY. I think the Senator from Arkansas is outstanding in his knowledge of a great number of subjects, except in strictly legal questions.

I think there can be no conceivable question but that the same power to regulate will exist regardless of whether the Wiley amendment is adopted.

The principal difference between the Wiley amendment and the Fulbright bill is that under the Wiley amendment oleomargarine producers are prohibited from

shipping in interstate commerce oleomargarine which is colored so as to imitate butter. Such being the case, it cannot, in my opinion, conceivably take from the Federal Trade Commission any of the powers which that body presently possesses.

Mr. FULBRIGHT. If we undertake to prohibit oleomargarine from interstate commerce, and, in the same bill, attempt to regulate it, it is an inconsistent position. I thought the Senator would be quite satisfied with the adoption of his own amendment.

Mr. McCARTHY. I am infinitely less dissatisfied with the bill of the Senator from Arkansas if it contains the McCarthy-Aiken amendment.

Mr. FULBRIGHT. One of the considerations in accepting the amendment was that I thought it would reduce the debate on the bill.

Mr. McCARTHY. I thank the Senator.

Mr. President, the manufacturers of Durkee's oleomargarine have very obviously embarked on a completely dishonest advertising campaign which has as its basis the misappropriation of the butter-grading system of the United States Department of Agriculture. This grading system has been in existence since 1943. It means a great deal to a producer of butter to merit an AA listing which means 93 score. The benefit of this listing is completely nullified by the dishonest advertising campaign of an outfit such as Durkee.

I had planned to discuss advertising containing the word "fresh" and the words "country fresh", but I notice that some of the other Senators have discussed it in some detail, so I shall spend very little time on it. However, I have here a large advertisement, approximately 2 feet by 4 feet in size, which says "country fresh churned." It also uses the word "milk." It uses the phrases "fresh dairylike flavor" and "no artificial flavoring."

Mr. President, as I have already stated, oleomargarine does not come from the country, but from an oil mill consisting of tanks, pipes, valves, and knobs. That oil mill can be owned by a soap company, or a paint company, or an international cartel employing slaves on the coast of Africa—but none of these things has anything to do with the American countryside as represented by barns and silos. As I have additionally stated, oleomargarine is not fresh, but uses a preservative, as it is so required to state by law. Nothing can be fresh and preserved at one and the same time. That ought to be obvious to anyone. Yet, this advertisement, sponsored by a supposedly reputable corporation, undertakes to tell the housewives of America that oleomargarine containing a preservative is not only fresh, but country fresh. In the face of this evidence, how are we to be believed that the oleomargarine interests can be trusted with a color which is the traditional color of butter unless we very closely control their advertising?

Mr. President, there is one other matter before the Senate, namely, the question of removing taxes other than taxes on oleomargarine. Many of us feel very

strongly that if we are going to remove the oleomargarine tax it is only common sense, honesty, and fairness also to remove many of the other misnamed luxury taxes. I concede that it is improper for a housewife to be forced to pay a tax on oleomargarine if she wants to buy it and knows what she is buying. I think it is equally improper to force the housewife to pay a luxury tax on the stove upon which to cook or to force her, for example, when she goes to the corner drug store to buy cosmetics or baby powder, to pay a luxury tax on such items.

I do not think that there is anything luxurious, as one mother said to me, in having to take care of the baby and getting the necessary oils and powder.

Another of the taxes which we propose to eliminate is the tax on ranch-raised furs. That is a very important matter to the people of my State and to people of other States, such as Utah, Washington, Iowa, and so forth. Presently a very contradictory course is being followed, Mr. President. An attempt is being made to tax out of existence one very important branch of agriculture, namely, the fur farmer. We are taxing him out of existence while at the same time we are subsidizing other branches of agriculture. I know there are those who say this is the wrong time to remedy this situation, that at some later date we will be allowed to repeal the excise taxes.

Mr. President, we have before us the Butler-McCarthy amendment. That is no quickly conceived amendment. We have taken the product of the Finance Committee's work. We have taken an amendment which they attached to another bill which has been pending before the Senate for some time, to remove those excise taxes which the Finance Committee, after long study, said should be removed. If it was proper for the Finance Committee to attach that amendment to another bill, which undoubtedly will never come before the Senate, then it would seem to be equally proper that we attach the same amendment to this bill and remove those excise or luxury taxes at the same time that we remove the tax on oleomargarine.

Mr. MORSE. Mr. President, I think it is true that in a debate on issues with which Senators have had considerable personal experience they are bound to speak from a certain amount of personal bias. At the outset of my remarks this afternoon, Mr. President, I wish to plead guilty to a certain amount of personal bias on this issue, but I believe that whatever bias may exist in my point of view is compensated for or offset somewhat by the experience I have had in this particular field.

For many years in my youth I was known in Madison, Wis., among a great many consumers, as the "butter boy," in that each Saturday I delivered, on what was known as a dairy route, the butter which was churned during the week from the milk and cream produced by the cows on our farm. I wish today that I had one dollar for every hour I sat in the cellar of that old farmhouse and churned one of the old barrel churns by hand. I could at least approach my com-

ing campaign for reelection without so much concern about where the money is to come from if I had a dollar for each one of those hours.

I make these statements in fairness to my colleagues, so that they will know at least the bias from which I speak. I hope also that they will give me credit for having had some basis for my conclusions because of my experience from spending a great many years on a dairy farm.

I make these preliminary remarks also because some of my friends in American labor seem to be somewhat perplexed because I have not swallowed with them the oleo lobby's propaganda in regard to the oleomargarine issue. I think the distinguished Senator from Vermont [Mr. AIKEN] very effectively answered those within the American labor movement who have been misled into the conclusion that injuring the American dairy industry by supporting the extreme demands of the oleo lobby is in the best interests of American labor. I point out to the workers of America that they ought to recognize before it is too late that there is a great need for a much greater cooperation between American workers and American farmers in solving the great economic problems which confront the Nation, and I should like to have the workers of America realize that in the last analysis the size of their pay checks is dependent upon a prosperous agriculture. The economy of the United States is, after all, basically an agricultural economy, and whenever the agricultural economy goes into a recession or a depression, it is only a short time before those wearing the overalls in the factories of America begin to feel the effect of an unprosperous agriculture.

Thus, as one who is proud of his record in insisting upon fair play for American workers, I am equally proud, Mr. President, of my record of insisting upon fair play for the American farmers. So I would call the attention of American labor to some of the comments made last Friday by the distinguished Senator from Vermont [Mr. AIKEN].

Let me say, by way of sincere compliment to the distinguished Senator from Vermont, that in my judgment labor does not have a better friend in the Senate of the United States, and I am very happy to joint forces on this issue, as I do on so many issues as a representative of labor, with the Senator from Vermont, in pointing out to American labor that they had better do some rethinking in respect to the oleo issue. Some is being done, because in the debate on this issue this year we notice a little different attitude on the part of the legislative representatives of organized labor who pay us visits occasionally in the reception room of the Senate. Apparently they are beginning to question whether or not their position on this issue in times gone by has been as sound as they have been led to believe, and this year some great unions, particularly within the A. F. of L., who are openly supporting the position of those of us who are sponsoring the Gillette-Wiley substitute.

Last Friday the Senator from Vermont, in a notable speech, made certain comments which I should like to have re-

printed as a part of my remarks this afternoon. I have marked them in the CONGRESSIONAL RECORD of last Friday, and I ask unanimous consent to have them inserted in my remarks at this point.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXTRACTS FROM REMARKS OF SENATOR AIKEN IN THE SENATE FRIDAY, JANUARY 6, 1950

I was informed yesterday by the Bureau of Agricultural Economics, United States Department of Agriculture, that the average hourly farm wage rate in three important cotton-producing States is as follows: Mississippi, 40 cents an hour; Arkansas, 47 cents an hour; Georgia, 37 cents an hour.

In contrast to these very low rates, we find the great dairy State of Washington paying its agricultural labor 93 cents an hour; Iowa pays its labor 71 cents an hour, and Minnesota, 68 cents an hour.

But this hourly wage comparison is not the whole story. The worker on the dairy farm has to work every day of the year, including Sundays. Whether he wants to work or not, he has to work every day.

The worker on the cotton farm has a seasonal proposition to deal with.

Therefore, the yearly earnings of the dairy worker are still further out of proportion to those of the cottonfield worker than a comparison of the hourly earnings would indicate.

If the materials used in manufacturing oleo were produced by as highly paid labor as that employed on dairy farms, there would be little difference between the cost of oleo and the cost of butter.

Even with these low wage rates, the cotton grower of the South is in trouble. He is trying to produce and continue to produce cotton on land which has been producing cotton for 150 years.

He is continuing to grow a soil-depleting crop and doing the best he can to make up for that depletion by adding chemical fertilizer.

But I wish to point out that it is not only agricultural labor which is much cheaper in the South; it is also industrial labor. The average factory worker in Arkansas is paid 90 cents an hour, as compared with \$1.16 an hour which is paid to the average factory worker in Michigan.

Mr. MORSE. Mr. President, I shall not yield during the course of my remarks, because I realize that the hour is late, but I shall be happy to yield when I have finished my formal address. I recognize further that to a great extent my remarks will be by way of reiteration and repetition of a point of view, I hope by way of persuasive emphasis, but I do wish to make the record this afternoon, for future reference, of the position I take in support of the Gillette-Wiley substitute, and why I take it.

RIDICULOUS OLEO CLAIMS

Mr. President, the campaign of the oleo interests for the repeal of most Federal regulations on the manufacture and sale of their product colored yellow in imitation of butter has been characterized by some of the most ridiculous arguments imaginable. These absurd statements would be laughable were it not for the fact that they tend seriously to mislead large numbers of consumers who have no real knowledge or understanding of the importance of the dairy

industry in their daily lives. Even so, I am sure that the Members of this body—many of whom were once farm boys themselves—will appreciate a review of the more ludicrous claims advanced by the oleo interests, purely for the entertainment value to be found in them.

OLEO REGULATIONS ARE A RESTRAINT ON FREE ENTERPRISE

A favorite contention of the oleo lobbyists, for instance, is that restrictions on yellow oleomargarine are a handicap to their industry. This is the propaganda line reserved for retail and wholesale grocers in particular, and for other businessmen in general. In addressing the business community, the oleo crowd invariably refers to Federal controls as "discriminatory" or "punitive," and argues that such controls are in restraint of trade and a discouragement of free enterprise.

The fact is that while oleomargarine consumption equaled only 14.9 percent of butter consumption in 1928, it amounted to 59.8 percent of butter volume in 1948. In other words, the oleomargarine manufacturers have improved their position in relation to butter fourfold in a single generation. Is this to be characterized as the result of discrimination? Can any business honestly be said to be handicapped when it shows such remarkable growth in so short a time? Have the Federal oleo laws actually stifled free enterprise in this instance? I think my colleagues will agree that they have not.

Coincident with the increase in oleo sales, butter consumption has dropped from 16.4 pounds per capita in 1938, to only 10.2 pounds per capita in 1948. During the same period, oleo consumption per capita more than doubled, showing an increase of from 2.9 pounds to 6.1 pounds for every consumer. Within the past few months the five leading manufacturers of oleomargarine have increased their production to 68.4 percent of the national total, whereas, a few months ago, they enjoyed slightly over 61 percent of the business. Despite the Federal regulations of which they complain, the five top companies are growing even bigger, and their profits are setting new records every week. Four new oleo plants were built in the early months of 1948 alone. Surely this is not typical of an industry that is suffering under trade restraints.

According to a market report prepared by McCall's magazine, World War II raised the normal prewar annual production of oleomargarine from 359,000,000 pounds (average 1936-40) to 588,000,000 pounds in 1944. The National Association of Margarine Manufacturers estimated that this 1944 production reflected an extra civilian wartime demand of 154,000,000 pounds with the balance of the gain attributable to orders of the War Food Administration. Comparison of grocery-store sales of oleomargarine, from the same source, indicates an increase from 224,000,000 pounds in 1942 to 497,000,000 pounds for the comparable 1945 period. In other words, grocery-store sales of oleomargarine more than doubled in 3 years. The association estimated that by the end of 1946, 72 percent

of grocery-store customers were oleomargarine users.

By contrast, Government diversion of a large portion of the milk supply to the manufacturers of evaporated milk and cheese, products in great demand for lend-lease, caused substantial drops in butter production during the latter war years. The 1944 output supplied less than 12 pounds per capita, including farm butter. The amount actually made available through commercial channels amounted to only 9 pounds per capita. An OPA survey at the time showed that people placed the lack of butter at the very top of their list of annoyances caused by wartime shortages. Since the butter shortage was due chiefly to Government regulation, Mr. President, it is easy to see that the dairy farmers, and not the oleomargarine manufacturers, were the ones who were discriminated against.

Increase in ration-point value of butter to its high of 24 points per pound, late in 1944, further accelerated sales of oleomargarine, which required only 5 points per pound. The result was that butter piled up on retailers' shelves during the early months of 1945. This was due to bungling by the War Food Administration, which had anticipated considerably higher demands on the butter supply later that year, when the end of the war changed the supply picture. Differentials in ceiling prices for butterfat resulted in a considerable scarcity of butter on the market even after the removal of rationing. This was not corrected before the lifting of ceilings on dairy products in the summer of 1946. It is not possible to judge accurately what effect these steps would have had on the ratio of butter to oleomargarine sales under more normal supply conditions, but we can take it for granted that the boom in oleomargarine sales was at least an indirect result of Government discrimination against dairy farmers.

A survey for the National Association of Margarine Manufacturers in 1944-45 purported to show that 61 percent of American families, or twice as many as appeared in a similar survey in 1941, were then using oleomargarine. Acceptance of oleomargarine for cooking and table use among upper-income families had increased six times over the 1941 figure. We may attribute this to the same wartime-induced shortage of butter to which I have already referred, but it is further evidence that the oleomargarine industry has not been and is not now subject to restraint of trade. Use of oleo by city housewives was claimed to have increased three times in the period covered by the oleo manufacturers' own survey. Surely that would be an unusual result of punitive Government regulations, if such regulations were directed against the oleomargarine industry, as its spokesmen claim.

A study by the Home Makers Guild, made in 1946 through a panel of housewives representing all sections of the Nation, showed that 71.6 percent had increased their use of oleomargarine because of Government-created shortages of butter. Oleomargarine was named as the preferred substitute for butter, as a

spread for bread, by 61.8 percent of the women questioned. Here again we see evidence of stimulated oleomargarine sales resulting from wartime discriminations against butter outlets for the dairy farmer.

The Wall Street Journal of January 28, 1948, estimated creamery butter output in 1947 at 1,300,000,000 pounds, or 26 percent below the 1939 figure. In the same period, oleomargarine production rose from 301,000,000 pounds to a record of 746,000,000 pounds. While drops in butter prices during the latter half of 1948 brought about some decreases in oleomargarine sales, estimated production of oleo for that year was at an all-time high of 920,000,000 pounds. Estimates by Best Foods Co. in the New York Herald Tribune of September 14, 1947, indicated that by 1946 two families out of every three were oleomargarine users, as against only one family out of every three in 1941. Would those figures indicate to any impartial observer that the oleomargarine industry has been handicapped by restrictions on free enterprise?

According to an analysis of the 1948 outlook for the oleomargarine industry published in March 1948 by Tide magazine, the oleo manufacturers spent about \$6,000,000 in advertising during the year ended November 1, 1947, as compared to a prewar annual advertising expenditure of about \$1,500,000. A more recent article in the same publication quotes the A. C. Nielsen Co. to the effect that oleomargarine manufacturers spent \$5,371,000 in advertising during the first 9 months of 1948 alone. Is this a logical expenditure for a group of companies which really believe that their operations are being handicapped by Federal regulations? Mr. President, the claims of the oleo interests that the development of their industry has in any way been hindered by the regulations which they now seek to have removed are ridiculous on the face of the evidence at hand.

"YELLOW OLEO WON'T HARM THE DAIRY FARMER"

The bankrupting of creamery butter plants is not a mere matter of business failure within the dairy industry; it represents a shrinkage of our national resources for handling and distributing the milk produced by the dairy farmer. Butter has long been the balance wheel of the dairy industry. It is the form in which surplus milk can most readily be stored and shipped to distant markets. So long as cows continue to give more milk during flush seasons than in wintertime, it will be necessary for the dairy farmer to have butter outlets for milk that cannot be sold in bottles.

As dairy prices decline, more and more milk fails to find a market in the more profitable forms, and must be held over for later distribution and consumption. This underlines the historic need for creamery butter plants in our enormously intricate system of marketing milk and other dairy products. Yet the oleomargarine interests are fond of saying that the manufacture and sale of their yellow product will have no adverse effect on dairy-farmer prosperity. The National Cooperative Milk Producers

Federation, however, has developed a forecast of what will happen if unrestricted sale of yellow oleomargarine is permitted in the United States. This prediction is based on, first, what has happened in other countries where the manufacture and sale of yellow oleo has been allowed; and, second, calculations under the widely accepted relationship between production and prices of butter—under which given changes in the supply of butter are traditionally associated with similar but opposite changes in prices. If unrestricted sale of yellow oleo is permitted, it is estimated that—

First. Yellow oleo will replace butter to a volume of as much as 6,000,000 pounds annually.

Second. This increase in yellow oleo sales will result in a decrease in the price of butter of from 25 to 40 percent.

Third. Contractions in butter sales will cost the American dairy farmers \$638,000,000 in income a year.

Fourth. Serious dislocations in the markets and prices of other dairy products, including fluid milk, will affect 40,000 milk-processing plants and 2,500,000 dairy-farm families in every State in the Union.

That is why I say, Mr. President, that labor had better take note of the relationship of this problem to the worker's pay check because when 2,500,000 dairy families are affected, with the great purchasing power their consumer strength represents, labor simply cannot afford to ignore the fact that there is a direct relationship between the prosperity of the people on the farm and the prosperity of the people in the factories.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I have already announced I will not yield until I finish my speech. Then I shall be glad to yield.

I would also have labor constantly keep in mind the fact that within the agricultural economy the dairy segment of it is the most basic. It produces the greatest amount of wealth, as I shall show later in this speech; it is, after all, the segment of the agricultural economy which determines in large measure the level of our agricultural economy as a whole at any given time.

Fifth. The resulting slaughter of an estimated 2,000,000 head of dairy cattle by farmers who will be forced out of the milk business will disrupt livestock and meat prices and marketing.

Sixth. Dissipation of our soil resources will result from the subsequent discouragement of dairy farming, now the most important contributor to sound soil-conservation practices, and one that requires no subsidy.

Seventh. A consequent depression in a critically important branch of agriculture will affect retail sales and economic life in cities, towns, and hamlets throughout every section of America.

The dairy farmer, and, indeed, the entire dairy industry, is dependent upon butter outlets as a stabilizer of prices for milk and other manufactured dairy products. No other balance wheel exists in this vast industry, for the simple reason that no other final reservoir for

milk surpluses has ever been found that could equal the convenience and simplicity of storage in the form of butter. The importance of butter outlets to the dairy farmer is only partially suggested by the fact that 26.9 percent of all the milk produced in America last year eventually reached the consumer in that form.

We have already seen that an increase in the sale of oleomargarine has been accompanied historically by a decrease in the sale of butter. It is rank nonsense to pretend that a substitute product which threatens to reduce butter outlets for more than one-quarter of the Nation's milk supply will not hurt the dairy farmer.

Would any economist in his right mind suggest that the loss of almost 27 percent of its market would not hurt the Nation's steel industry? Would any Members of this body argue that a 25-percent drop in the demand for automobiles would bring anything but harm to our gigantic automotive industry? Of course not. Yet, the dairy industry is one and one-half times the size of our steel industry, and considerably larger than our automotive industry. It is the largest single source of farm income in America, as I have previously pointed out.

Milk is more important to American agriculture than corn, or hogs, or cotton, or wheat, or any other product of our farms. The production and distribution of milk is inextricably linked to the prices of butter and other manufactured dairy products. Therefore, the current decline in farm income is but a forerunner of things to come if yellow oleomargarine is to be allowed to enter into unregulated and unfair competition with butter, a vital source of income and a historical stabilizer of prices for the American farmer.

Mr. President, I am not opposed to the removal of the tax on oleomargarine. I am an advocate of it. But I think it is fallacious to argue that because we remove the tax on oleomargarine, ipso facto we must then support no regulation whatsoever on the sale of oleomargarine. It was pointed out the other day, on this floor, by the Senator from Minnesota [Mr. HUMPHREY] that, after all, after the removal of the tax, there is then an obligation on the part of the Senate to see to it that there is fair regulation of the industry so as to prevent its misleading and potentially fraudulent practices from being imposed upon the consumer, because there is no question about the fact, as the Senator from Wisconsin [Mr. WILEY] pointed out a few moments ago, that the oleomargarine business is conducted on the basis of an imitation process.

I wish to digress just long enough to pay the Senator from Wisconsin a very much deserved compliment for the great fight he has put up, along with the distinguished Senator from Iowa [Mr. GILLETTE], in support of the Wiley-Gillette amendment, throughout this debate. Here are two men, not only from farm States, but two men who understand the problems of the dairy farmer, two men who have been pleading—and, I hope,

not in vain—with their colleagues on the floor of the Senate to recognize that we are dealing with a problem which involves a need for fair regulation of the oleomargarine industry in order to protect the consumer from its imitation practices which, in my judgment, at least, as was pointed out by the Senators to whom I have just referred, border on gross misrepresentation and deception.

So, as one who supports the Wiley-Gillette amendment and as one who supports the elimination not only of the excise taxes on oleomargarine but excise taxes generally, I would advise American consumers to keep clearly in mind that those of us who are sponsoring the Wiley-Gillette amendment are agreeable to the elimination of the tax, but we feel it our obligation to protect the consumers of the country from what I consider to be, to put it by way of understatement, the potentialities of fraud and misrepresentation practiced upon American consumers by the oleomargarine industry.

Now, Mr. President, let us listen to some of the arguments which are made by the oleomargarine industry. One of them is, "Let them sell fluid milk"—referring to the dairy farmers, of course. When faced with the facts of life as regards our agricultural economy, the oleo lobby is prone to resort to an unrealistic bit of advice that could appeal, I think, only to the uninformed, to those who have not studied the facts. Our dairy farmers, say the oleo interests, would be better off if they disposed of their entire output of milk in fluid form. When they make that argument, Mr. President, they either show a gross ignorance of farm problems and a great lack of information about the operation of a dairy farm or they plead guilty to seeking to mislead the American people by a fallacious argument. This assertion on the part of the oleomargarine interests has great appeal to city consumers, who—I am afraid—are easily misled into believing that milk is merely another commodity that appears on their doorsteps without being touched by human hands. The fact is, of course, that the processing and distributing of milk and other dairy products constitutes one of the most complex and delicately balanced triumphs of marketing ever developed by our American system of free enterprise.

No longer is the city dweller dependent upon nearby farms for his entire supply of dairy products. Our vast municipal milksheds reach out from metropolitan centers for hundreds of miles in all directions. A shortage of cream in New York City, such as could easily be produced by the recent drought in upper New York State and in New England, is now readily overcome by refrigerator-tank-car shipments originating in States as far distant as North and South Dakota. Many of the dairy needs of Texas—and they are heavy, because Texas is a cotton State that cannot yet supply its own industrial centers from its own dairy herds—are met by shipments from Wisconsin. For practical reasons, however, it is not possible to deliver bottled milk at any such distances. Milk is a highly perishable commodity. It can be sold in bot-

tles only to consumers who are comparatively near at hand. That was pointed out, I think, in a magnificent way the other day by the distinguished Senator from Wisconsin [Mr. WILEY].

This means that a policy of selling fluid milk would automatically signal the extinction of the thriving dairy farms of Iowa, Oklahoma, South Dakota, and more than 17 other States that do not have metropolitan markets for the bottled product. A lack of such metropolitan markets accounts for the fact that more than 73 percent of all the milk produced in North Dakota, for example, goes into butter. Over 70 percent of Iowa's milk is sold for butter. These are but two of the many States that simply do not find it practical or even possible to market their milk in bottles. The mere assertion that they ought to do so does not automatically create the concentrated industrial centers that are required to absorb their heavy milk production.

The average dairy farmer would be the first to agree that it would be nice to sell all his milk in fluid form—if he could. He would like to, if he could. Bottled milk is the most profitable of all dairy products. Every dairy farmer has his eye on that particular market, and naturally he does his level best to sell as much fluid milk as he can. Even so, little more than 40 percent of our entire national production of milk reaches the consumer in bottled form. Significantly enough, the next largest outlet for milk is in the form of butter which—as I have already said—absorbs 27 percent of our milk supply.

Butter, which ranks second only to fluid milk as a volume outlet, is the least profitable source of dairy-farm income. Butter is the final reservoir for surplus milk, and if the dairy farmer did not have that reservoir in which to store his surplus milk, it would be wasted. Between these extremes of operation will be found the other manufactured dairy products, such as cheese, dried milk, evaporated milk, and ice cream. According to variations in demand, you may be sure the dairy farmer will always dispose of his milk production in the form that returns him the highest profit from the facilities at hand. He does not need the oleo lobby to tell him that he will make more money from fluid milk than from anything else. He already knows that. He does not require urging by the oleo interests to develop fluid milk markets to the utmost limit of their capacity because, through his farmer-owned and farmer-managed cooperatives, he is already creating and serving new customers for fluid milk as rapidly as possible.

What the dairy farmer would prefer to learn from the oleo propagandists is the secret of conjuring up metropolitan markets in such States as Nebraska and the Dakotas. Those mythical markets exist only in the minds of the copy writers now employed by the oleomargarine manufacturers to tell 2,500,000 American dairy farmers how to run their businesses. As soon as the oleomargarine industry locates those nonexistent cities for the benefit of Mr. Rand and Mr.

McNally, I can assure the Senators that the dairy farmers of those otherwise remote States will turn their fluid milk-marketing techniques loose on them, to the profit of all concerned.

Meanwhile, however, there remains the purely practical matter of getting rid of millions of gallons of milk, a problem which is not a dream, but an everyday reality facing the dairy farmer. Until the oleo lobby can offer something more than wishful thinking in the way of outlets to replace the butter market, dairy farmers in remote areas will continue to deliver their surplus milk to local creameries. These creameries will continue to turn that milk into butter, a product marketable at any distance and in any season. That is, they will do so unless further inroads on the butter market by yellow oleomargarine eliminate such outlets altogether. In that case dairy farmers will send their cows to slaughter, as they have been forced to do in increasing numbers since 1941.

Mr. President, as one who knows something about the practical day-by-day problems of the dairy farm, I would have my labor friends remember that if there is any substantial reduction in the size of America's dairy herds, then the economic result is bound to be an increase in the price of fluid milk in the bottles placed on the workers' doorsteps each morning. One reason why I am such a staunch advocate of the Gillette-Wiley amendment is my sincere conviction that the ultimate result of the unfair competition of oleomargarine against the dairy farmer, unless we as a Congress impose fair and reasonable restrictions, will be to increase the price of fluid milk. We are able to maintain the price at the level at which it is now maintained, because the surplus milk can be used under present conditions for butter, making it possible for the dairy farmer to keep his fluid milk at a lower price than will be the case once we permit unfair competition to take over in the industry and the size of the dairy herd is reduced to a level where it will have the inevitable economic result of increasing the price of fluid milk itself.

Mr. President, we have lost 3,000,000 dairy cows in that period, and the decline last year was the sharpest in history, according to the United States Department of Agriculture. Does anyone believe that a dairy farmer, deprived of his butter outlets, would rather sell off his cows than sell fluid milk? Of course not. The only possible explanation for the drop in dairy-cow numbers is that fluid milk markets do not exist in the great butter-producing States. That is, they do not exist to the extent necessary to take care of the surplus. This point is further brought out by the fact that by far the largest decline in our cow population has taken place in those States. When I speak of surplus, I am referring to the seasonal surplus. The surplus of fluid milk naturally results in the spring and early summer when the cows are turned out on green grass. In South Dakota in the last 3 years, the number of dairy cows has been reduced 25 percent; in Kansas, 25 percent; in Nebraska, 24 percent; in Oklahoma, 22 percent.

The results are clearly visible for all to see; the States that have let down the bars on yellow oleomargarine have injured themselves not only as butter customers but as recipients of the unending supply of dairy products, including beef and veal, that previously came from those lost dairy herds. "Let 'em sell fluid milk" is more than a misleading slogan for the oleo interests; it is a mockery of all that dairy farming stands for in the States that lie beyond the reach of metropolitan milksheds, and of all that the consumer has learned to expect from the dairy industry. The paid propagandist who tells a women's club that dairy farmers could or should sell their entire output of milk in fluid form has as his aim not only the destruction of a competitor in the table spread market, but the elimination of animal agriculture, and the substitution of vegetable fats and oils in our national diet.

If the average housewife understood that she was being deprived not only of butter but of beef and veal by such propaganda, I am sure that she would be the first to raise her voice for continued protection of the dairy farmer. If she realized that her daily supply of fresh milk was at stake, as well as the ice cream, the cheese, and the evaporated milk that she has learned to rely upon, I think her protests would be louder than all the petitions drummed up by the oleo interests at the rate of 10 cents per signature. If people understood that one-quarter of all the food consumed in this country stems from the dairy industry, I do not believe that they would favor the weakening of that industry by attacks on the vital butter outlets that mean so much to the dairy farmer and to our agricultural economy as a whole.

"THERE IS LITTLE DANGER OF FRAUD FROM YELLOW OLEO SALES"

Another of the oleo lobby's remarkable policy lines is the one to the effect that yellow oleomargarine offers no real possibility of fraud. The treatment of this subject by oleo spokesmen alternates between airy dismissal of the whole matter as being unworthy of mention, and hurt but earnest protestations of commercial integrity. In the latter respect we are assured that oleo is now big business, and that the responsible multi-million-dollar corporations that control it are far above chicanery and double-dealing.

Mr. President, I am willing to accept the latter premise, with certain reservations. I believe that the big organization, with responsibilities to its stockholders, does not dare overreach itself to the point where its operations might invite investigation. I do not believe, however, that those same factors offer any protection whatever to the consumer in other respects. On the contrary, it is the duty of management to charge all that the traffic will bear in order to show the largest possible profit for its stockholders.

No one can say that the oleo interests have been backward in that last respect. Oleomargarine is one of the largest, if not the largest, profit item in the entire food field. Where the profit on a pound of butter is a quarter of a cent or less,

the profit on a pound of oleomargarine—costing half as much as butter—is 3 cents or more. In other words, the big oleo manufacturers do not feel constrained to price their product on the basis of the ingredients used, but merely set their selling price at approximately half of the retail price of butter. Apparently that is the price bracket which attracts the maximum number of buyers, because that is the level at which oleo manufacturers have consistently priced their product for a good many years.

When the price of butter goes up, the price of oleomargarine also goes up, regardless of the then existing quotations for cottonseed and soybean oils. It has sometimes happened that the costs of these raw materials have declined meanwhile, which would suggest a cut rather than an increase in the selling price of oleomargarine. Such variations in the cash return to cotton and soybean growers never seem to make much difference to the oleo manufacturers, however. With one hand the oleo interests pay out proportionately less money to our domestic suppliers of vegetable oils, while with the other hand, they jack up the retail selling price of oleo to its traditional level in relation to butter. The extra profit goes to the five giant corporations which control not only 68 percent of the oleomargarine market, but the refineries that supply the smaller oleo manufacturers with hydrogenated vegetable oils.

A comparative newcomer to the American oleo field is Unilever, Ltd., of London, England, which now owns the John Jelke Co. in this country. Unilever, Ltd., has what amounts to a monopoly of the world-wide fats and oils trade outside of this country, and can doubtless supply raw materials from its overseas plantations at even lower prices than our American farmers now receive for cottonseed and soybean oils. I am sure, Mr. President, that no one in this room is so naive as to believe that the result would be lower oleomargarine costs to the consumer. This attitude toward the low-income groups who must eat oleo or go without a table spread may not be fraudulent practice in the legal sense, but it is certainly at variance with our American concept of mass production as applied to the free-enterprise system. It certainly is in conflict with my sense of ethics, or what I think ought to be good business practice.

We believe, do we not, that lowered costs should be passed on to the consumer in order to widen the markets and make more goods available to everyone? The oleo interests have shown by their actions, however, that they do not agree with this principle. Instead, the oleo manufacturers seek to destroy thousands of small local creameries through unfair competition for the table-spread market. They have millions of dollars to spend on advertising and propaganda, and millions more with which to mislead women's clubs and professional consumer groups as to the true economic interests involved. They have spent, and are spending, those millions for precisely such purposes. Such actions may not be illegal, but they certainly are not

good practice, and in my judgment border on business immorality.

It is not necessary, however, to confine ourselves to generalities in the matter of fraudulent sales of yellow oleomargarine. Available evidence indicates that if Congress removes Federal regulations on oleo colored yellow in imitation of butter, the Nation is in for a truly unprecedented increase in consumer deception. As an example of this danger, we need go no further than the restaurant business, which serves 65,000,000 meals a day in this country.

The State of Arkansas has on its statute books certain protective measures, which were designed to prevent the fraudulent serving of yellow oleomargarine as butter in public eating places. These regulations are almost identical with the provisions of H. R. 2023, which are also intended to safeguard restaurant patrons. The law of the State of Arkansas provides that each individual serving of oleomargarine in a public eating place must be clearly identified as such, either by identifying the pat of oleo itself, or by marking the plate on which it is brought to the table. Yellow oleomargarine may be freely sold in Arkansas, which establishes the same conditions that H. R. 2023 proposes to set up for the country as a whole.

An impartial fact-finding agency was retained to visit restaurants in Arkansas this spring, to learn whether, in the face of regulations which are similar to those now proposed by the oleo lobby, oleomargarine is being properly identified as such, and not passed off as butter. The firm's investigators called on 100 Arkansas restaurants scattered throughout the State. In not a single one of the restaurants so visited was there a sign of any kind on the walls, the menus, or the butter plates to indicate that oleo was being served.

In every Arkansas restaurant thus visited, the investigator asked for butter, and paid for butter. Yet laboratory tests of samples collected by those investigators disclosed that, in 66 out of 100 of those Arkansas restaurants, the spread served was yellow oleomargarine, and not butter. That is flagrant fraud in complete and total disregard of the law's requirements. If the regulations touted by the oleo interests as being completely adequate to prevent fraud have failed so miserably in Arkansas, why should we assume that they would protect restaurant patrons elsewhere in the Nation?

On the basis of the survey just mentioned, it would appear that restaurant fraud is increasing rather than decreasing, and that oleo propaganda is responsible at least in part for inducing restaurant owners to believe that there is no real dishonesty in serving oleo in place of butter. Last year the dairy industry reported the results of a similar survey, which showed that only one out of three restaurants in a selected list of large cities was defrauding its patrons by serving yellow oleomargarine as butter, at butter prices. The 1949 results in Arkansas indicate that the proportion of fraud has probably doubled in that brief period of time. Those States which have let down the barriers against the sale of

yellow oleomargarine have extended an open invitation to "butterleggers" to start gouging the public, and that invitation has been accepted.

The Pennsylvania Department of Agriculture reported the existence of widespread fraud at the time of the hearings before the House Agricultural Committee in March 1949. According to Miles Horst, secretary of agriculture of that State, no less than 153 out of 500 eating places recently checked in Pennsylvania were violating the law. Restaurant owners were either serving oleomargarine without licenses, or were mixing oleo with butter, or coloring the product illegally. Many had failed to post signs stating that oleo was being served, or used in cooking.

In his statement to the House Agricultural Committee, Mr. Horst opposed legalization of colored oleomargarine. If factory coloration were permitted, he said, the problem of protecting the consuming public would, without doubt, reach major proportions and extend beyond the power to control. That is the opinion of an experienced official, who is actually charged with the prevention of fraud, and whose conclusions are based on facts rather than on theories.

The press has also reported the existence of considerable restaurant fraud in Michigan. Naturally, these cases do not come as a surprise to the dairy industry. For more than 60 years the dairy farmers, together with public health officials and agencies such as the Food and Drug Administration, have carried on an unrelenting warfare against "butterleggers" of every size, shape, and description. The files of the Bureau of Internal Revenue are full of case histories resulting from their vigilance, but the oleo interests now maintain that fraud is a thing of the past. That is why I have confined myself in these remarks to only the most up-to-date evidences of consumer deception. I contend that recent violations in Arkansas, and in Pennsylvania, and in Michigan, clearly demonstrate that human nature has not changed. The temptation to easy profits is always hard to resist, and nowhere in the food field are there greater potential rewards for those who would practice fraud and deception than in the manufacture and sale of yellow oleomargarine.

Butter—real butter—can be identified at sight only by its naturally yellow color. Oleo manufacturers already imitate the size and shape of butter cartons, the style of butter packaging, and even the quarter-pound print to which the butter user has become accustomed.

There is no such thing as an imitation egg, for instance, or an imitation potato. No one could get rich by imitating a loaf of bread, or a bag of sugar. But butter is susceptible to this kind of unfair competition, which would be encouraged for their own gain by a handful of manufacturers who have already imitated everything else about butter except its naturally yellow color. The oleo interests have added artificial flavor to their product to make it taste like butter. They have added skim milk to give their product the texture of butter. They have added vitamin A in an attempt to approximate the nutritional qualities

of butter, and they have imitated the exact size and shape of butter packages in an attempt to convince the unwary housewife that she is buying something just as good as butter. Now they demand the unrestricted right to imitate butter's exact color.

How can it be said, in the face of these clear evidences of intent to slip something over on the American public, or to encourage others to do so, that fraud will not be a factor if this Congress legalizes the unregulated manufacture and sale of yellow oleomargarine? In more than 60 years the oleomargarine manufacturers have never had the courage to develop a distinctive product of their own, and sell it on its own merits. Other food manufacturers have managed to do very well with new products that were not patterned after any existing commodity. Peanut butter, for instance, has been successfully merchandised to the American public during the same years in which the oleomargarine manufacturers devoted all their resources to imitating butter.

No consumer has ever objected to the fact that peanut butter is not yellow like creamery butter. The dairy farmers have never objected even to the use of the word "butter" as applied to this product, because peanut butter is so obviously something so original and different, with a special appeal of its own, that no consumer could be deceived as to its true nature. Its manufacturers have never tried to make it spread like creamery butter, or taste like creamery butter, or smell like creamery butter—and certainly they have never wasted any time trying to imitate the naturally yellow color of creamery butter. Peanut butter deserves the success it has won on its own merits, just as oleomargarine would deserve any success it might win if it were advertised and sold as a unique product with special characteristics of its own. The trouble is that oleomargarine has never been sold on that basis; it has never been marketed as anything but a cheaper imitation of real butter, a phony synthetic substitute that tried to mimic the more obvious attributes of a genuine dairy product.

In a letter addressed to all Members of Congress, under date of July 20, 1948, Mr. F. W. Hoffman, president of the Cudahy Packing Co., had this criticism to make of his fellow oleomargarine manufacturers:

During the past several decades the industry has encouraged rather than discouraged the consumer to take the time and trouble to color her oleomargarine yellow. All of the industry's advertisements have encouraged this practice. Had the industry, on the other hand, spent its millions of advertising dollars encouraging the consumer to serve oleomargarine white, she would probably have become accustomed to using it that way today.

Other industries in food, drugs, clothing, and shelter have gotten us to change our living habits without resorting to a complete imitation of competing articles, and the oleomargarine industry could and should do the same without imitating the color of butter.

Needless to say, Mr. Hoffman did not find himself in agreement with those of his competitors who were and are back-

ing the propaganda drive to repeal Federal regulation of yellow oleomargarine. At the very opposite pole was the attitude of the John F. Jelke Co., which, as I have already mentioned, is now the property of Unilever, Ltd., of London, England.

In 1938 the Jelke Co. was served by the Federal Trade Commission with a complaint charging unfair competition in the sale of its products in violation of section 5 of the Federal Trade Commission Act. Through advertising in newspapers and magazines the John F. Jelke Co. was alleged to have represented that its oleomargarine was made from whole milk from which no part of the cream or butterfat content had been removed. The Government's complaint charged, however, that the company's oleo was in fact made from skim milk from which the cream or butterfat had been removed, and that the company's use of the phrase "fresh pasteurized milk" was wrongfully understood by consumers to mean whole milk, which was definitely not used by the oleo manufacturer.

The Federal Trade Commission further charged that the use of the words "churned" and "churnery" in connection with the phrases "fresh pasteurized milk" and "milk solids" led purchasers to believe that Jelke's oleomargarine was made from whole milk or from cream taken from whole milk. The complaint alleged that the company's product, in fact, did not contain any butterfat extracted from whole milk or cream by churning, as is done in the process of making butter, and that consequently the product was not "churned" in the sense that the term is understood by the public.

A further representation by Jelke in its advertising, to the effect that its product contained 43.8 percent more milk solids than the more expensive spreads—meaning butter—also annoyed the FTC. The Commission said that the oleomargarine manufacturer used the expression to imply that there was a substantial difference between the food value of its product and that of butter because its oleomargarine contained "more milk solids" than butter ordinarily contains. The Federal Trade Commission took the not unnatural stand that, since the quantity of milk solids in butter is about 1 percent, the presence of a mere 1.438 percent of milk solids in oleomargarine was scarcely a nutritional advantage. The presence or absence of milk solids in such a negligible quantity had no relation whatever to the food value of either butter or oleomargarine, the Commission pointed out.

Mr. President, if there is no danger of fraud in connection with the sale of yellow oleomargarine, what is the meaning of these incidents to which I have referred? The question has been raised that these frauds reflect merely a lack of enforcement. It seems to me that any such contention is brushed aside by letters from the Bureau of the Budget, and the Food and Drug Administration, to the effect that a single annual check of every eating place in the country would require the services of 960 Federal agents at a cost of \$6,000,000 for the first year; and

\$5,000,000 a year thereafter, to enforce the restaurant provisions of H. R. 2023 alone.

Naturally, the dairy farmers of this country are not going to be satisfied to have Federal inspectors drop in on restaurant owners only once a year. They will urge, very properly, that such inspections should be carried out at least once a month. That would raise the cost of Federal enforcement to at least \$60,000,000 a year, without offering much assurance even then that butterlegging would stop. Moreover, the oleomargarine laws in Pennsylvania restaurants have been and are being enforced, yet fraud persists. The violations found in Pennsylvania restaurants occurred in the face of widely publicized reports that Pennsylvania enforcement agents were cracking down. The number of restaurant owners who knew that the State agents could not possibly cover every eating place in the Commonwealth, and who took the chance of being overlooked, were the ones who were caught. That is human nature, as we discovered during prohibition days. But will the public think it is fun to be fooled when the cost of deception is double or more than double the true monetary value of oleomargarine?

"Butterlegging" can exist at any level of oleo distribution. It will occur on a wholesale scale if the final distinguishing feature between oleo and butter is removed. That distinguishing feature is, of course, the naturally yellow color of butter, which the oleo manufacturers now seek to imitate. Why do they want the unrestricted right to imitate that one particular color? There is only one logical reason—they want their product to look like butter as much as possible, so that it may be passed off for butter in public eating places, and on the home table.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I have already announced, Mr. President, that until I finish my speech, I shall not yield.

"YELLOW OLEO WILL BE CHEAPER IF FEDERAL REGULATIONS ARE REMOVED"

Next, we come to one of the most transparent of all oleo claims—a claim which would be merely amusing had it not already misled so many trusting housewives. In some respects I feel that propaganda to the effect that yellow oleo would be cheaper if only the Government would stop regulating it is less excusable than any other oleo argument, because it appeals to consumers in the low-income groups, who can least afford to be deceived. To hear the oleo interests tell it, they can hardly wait for the removal of present Federal taxes on yellow oleomargarine to cut its price by 10 cents per pound. Yet what are the facts of past performance in those States where yellow oleomargarine may now be freely sold?

Those facts are that the selling price of yellow oleomargarine in such States is more—much more—than the amount of the Federal tax would account for. Receipted sales slips and oleomargarine cartons collected from nine cities in as many States demonstrated before the

Senate Finance Committee, only last April, that the difference in price between colored and uncolored oleomargarine was away out of line. The Federal tax on yellow oleomargarine, remember, is only 10 cents a pound. Yet sample purchases in those nine States showed that the mark-up on yellow oleomargarine over white was not 10 cents a pound, but 21.8 cents per pound, on the average.

Who was getting that exorbitant additional mark-up? Who is getting it now? Certainly not the farmer, who is forced to accept for his cottonseed or soybean oil whatever the two or three big refineries in the country choose to pay him. I have already said that it is the nature of big business to charge all the market will bear, and here we have clear-cut evidence of the truth of that statement. Moreover, it is only a forerunner of more extortion to come.

Mr. President, we have seen that the price of oleomargarine even now bears little or no relationship to the cost of its ingredients; that oleo is historically priced at about half the price of butter. A point which is frequently overlooked, however, is that one of the factors operating to keep oleomargarine prices down to even that level is the presence on the market of the uncolored product. In other words, if there were no white oleomargarine for sale, there would be nothing whatever to prevent the oleo interests from pricing the yellow product just far enough under the cost of butter to attract those customers who want to save a few cents regardless of quality.

Instead of costing half as much as butter, yellow oleo would then cost two-thirds as much, or even three-quarters as much. Dairy spokesmen believe that the elimination of white oleomargarine altogether would give the oleomargarine interests an opportunity to increase their profits by perhaps as much as \$150,000,000 a year. Low-cost white oleomargarine is the competitor that the oleo interests fear most—not butter. Real creamery butter is a quality product which the oleo manufacturers can never hope to duplicate completely. Their whole objective is to produce a substitute which looks, tastes, and smells as much like butter as possible, but which can be sold on a price basis.

Everyone knows that yellow coloration adds nothing to the nutritional value of oleomargarine. Therefore, oleo manufacturers are forced to claim for white oleomargarine all the advantages possessed by the same product when colored at the factory. But not even the most gullible housewife would pay butter prices for something that looks like lard. So long as the market is flooded with white oleomargarine, which does not resemble butter, it is hardly feasible for these same oleo manufacturers to charge more than half the price of butter for a substitute made of vegetable fats.

Once white oleomargarine disappears from the market, however, that handicap vanishes. The oleomargarine interests will then be able to concentrate on their product colored yellow in outright imitation of butter, which means that they will be free to follow butter prices much more closely than they can now.

In fact, State and Federal laws which encourage the sale of white oleomargarine are the consumers' one sure guaranty of continued low prices for substitute table spreads.

The housewife who believes that she will pay less for oleomargarine if the factory colors it for her is badly mistaken, as a simple calculation will show. The oleo advertisements state that it takes less than 2 minutes for her to color the white product yellow in her own kitchen. However, we have seen that in 9 different States yellow oleomargarine is selling for an average of 21.8 cents a pound more than the uncolored variety, although the Federal tax is only 10 cents a pound. If the housewife can save 22 cents in 2 minutes by coloring the oleomargarine herself, she is being repaid for her trouble at the rate of \$6.60 an hour. That is a pretty fair wage scale for any operation.

It must be remembered, too, that many housewives never color their oleomargarine at all, because they use it for cooking or baking purposes and derive no benefit from the yellow color. If these housewives are forced to buy yellow oleomargarine at a premium, it is obvious that they will be paying extra for something they do not need or want. In its greedy grab for the table-spread market, the oleo lobby conveniently overlooks these simple fundamentals, while ruthlessly preparing to sacrifice the same low-income groups that it so loudly professes to serve. The cynical chatter about selling oleomargarine cheaper if only the Government would allow it to be colored yellow at the factory is a screen for exorbitant profits.

The possible scope of this fraud is on a scale worthy of the best legal minds of the giant corporations that have planned it. It justifies the outlay of millions of dollars in publicity, advertising, and propaganda that have produced new highs in cunning verbiage designed to confuse professional clubwomen and the paid representatives of consumer groups. It has warranted all the pressure put on newspapers and magazines, and all the money spent for hired writers and speakers. It has made worth while all the paid-for signatures on petitions, and all the stock letters and post cards sent to Congressmen by employees of the big food companies and their friends. It has produced a classic example of the use of semantics to make local creameries and small-town dairy farmers appear in the guise of a gigantic butter lobby, while the voice of a much more powerful oleo lobby is transformed into the dulcet pleas of seemingly aroused housewives.

The fact remains, however, that the last thing to be expected from all this activity is lowered oleo prices. Our own common sense tells us that the prodigal expenditure of millions of dollars, and the application of thousands of man-hours to publicity and propaganda for yellow oleomargarine, are not motivated by the desire to charge less money for the product, or to make a smaller profit from its manufacture and sale. The oleo interests clearly see an opportunity to monopolize the table-spread market, at their own price, and that price will be higher—not lower—than at present.

Any other conclusion from the facts at hand is sheer nonsense. If there remains in the mind of a single Senator any last lingering doubt that this is true, I refer him to the hearings on cottonseed oil speculation conducted last summer by Representative AUGUST H. ANDRESEN, of Minnesota.

"HOUSEWIVES DEMAND YELLOW OLEOMARGARINE"

The oleo interests have long assured the Congress and various State legislatures—that American housewives demand yellow oleomargarine. There is strong reason to believe that this assertion, like so many other misleading statements made by the oleo lobby to conceal its real objective, is a creation out of the whole cloth. The only survey of consumer preferences ever presented to congressional committees showed that a mere 23 percent of housewives believed color to be very important to oleo sales. Another 15 percent said they thought color was fairly important, but 62 percent of all consumers polled on this question said that color was not at all important to them. More than half of the women questioned said they would not object if oleo were colored some tint other than yellow or white.

It must further be remembered that only about 20 percent of our people use oleomargarine exclusively, whereas 32 percent—or half again as many—use butter and only butter for both cooking and table uses. It must be remembered, also, that of all consumers who use only oleomargarine, the majority do not feel it worth while to color such oleo as they use for cooking or baking. Almost half of all consumers use both oleo and butter, and I need not tell the Senators which product goes on the table, and which is relegated to the kitchen.

It seems to me that these figures put the whole color question in its proper perspective, making it very evident that housewives have no real reason to demand the manufacture and sale of yellow oleomargarine on an unregulated basis. Certainly no housewife would demand anything of the sort if she thought that granting the oleo interests the right to imitate butter's naturally yellow color was going to imperil her supplies of meat, milk, and other dairy products. We have further evidence of the phoniness of this so-called demand in the way in which it has been expressed. State legislators and Members of Congress from all over the country have been bombarded by petitions from new and supposedly spontaneous organizations of women voters, all of which say they want yellow oleo. These organizations do not trouble to conceal the fact that they are hastily put together by professional propagandists skilled in their trade, and that they have large amounts of money available to assist housewives in making their so-called demands known.

In Ohio the chief lobbyist for the oleo interests, in an interview with the Columbus correspondent of a Cincinnati newspaper, openly admitted that he was paying as much as 10 cents a name for signatures to oleo-tax-repeal petitions. In many cases those signatures were obtained by newsboys, who thus increased their earnings while collecting from sub-

scribers along their routes. Mr. President, I am the last to oppose free enterprise on the part of newspaper carriers, but I do not believe that the resulting oleo-repeal petitions were a true expression of popular sentiment.

In Indianapolis a well-known Representative was badgered almost to distraction by form letters demanding that he vote for repeal of oleo taxes, despite the fact that he was already on record as favoring removal of those taxes. When he replied to some of the women who had signed those letters, he received answers stating that they had never written the letters in the first place, and did not know what he was talking about. On further investigation it developed that the letters had been prepared by the local manager of Best Foods, Inc., a leading oleo manufacturer, who supplied the stationery, the typists, and even the stamps for this flood of useless correspondence.

A representative of the Association of Voters for Yellow Margarine in Ohio appeared before the Senate Finance Committee on behalf of 32,000 claimed members, the majority of whom, she said, were women. The hearings were held early in April of last year. Upon being questioned as to when her organization had been formed, however, this professional witness stated that it had been in existence only since January. It developed through further questioning by some of the Senators present that this group of some 32,000 members was what its spokesman called a "loosely formed, voluntary organization." It held no State or district conventions or meetings, passed no resolutions, and existed for no apparent reason other than to prepare oleo repeal petitions addressed to Members of the House of Representatives and Members of the Senate. Are we supposed to believe that so large a group could spring into being, full-grown for such a purpose, without the helping hand of the oleo interests, who thus choose to hide their selfish objectives behind various "front" organizations?

It has been called to my attention that oleo witnesses before the House Agricultural Committee were suspiciously lacking in spokesmen for the oleomargarine manufacturers themselves. The dairy farmers appeared in person, and spoke their respective pieces without hesitation. Four practicing dairy farmers were on hand, including one who is also a novelist and an internationally known authority on soil conservation—Louis Bromfield. One representative of organized dairy cattle breeders was there to tell the Congressmen what he thought the repeal of oleo regulations would do to his branch of the dairy industry. The dean of the largest agricultural college in Texas expressed the objections of the teachers of animal husbandry to the manufacture and sale of yellow oleomargarine.

The Secretary of Agriculture of the State of Pennsylvania outlined the practical problems of enforcement if "butter-leggers" are to have access to unlimited supplies of oleomargarine colored yellow in imitation of butter. Two representatives of the butter manufacturers ap-

peared, along with one representative of the organized dairy cooperatives, and one general representative of other branches of the dairy industry, as well as one operating dairy-industry executive from North Carolina. All of these men had perfectly self-evident reasons for being on hand to defend their industry against what they consider unfair competition. Two officials of the dairy labor union appeared, with forthright reasons for believing that their members faced the loss of jobs and income if oleo were allowed to imitate butter. That kind of self-interest is open and aboveboard, and any legislator understands and expects it.

Some labor-union representatives demand yellow oleomargarine, because the oleo interests have convinced them, wrongly, that repeal of Federal regulations will mean cheaper food bills for their members. Five paid representatives of professional consumer and women's organization demand yellow oleomargarine, because the oleo industry has spent millions of dollars telling them and their followers that yellow oleo is what the housewives ought to have. Soybean and cotton organizations have been persuaded to demand yellow oleomargarine in the hope of increasing the market for their oils, although there is no evidence whatever that domestic oils will continue to be used in oleo production. Retail and wholesale grocers expect to save time and trouble in making out Federal reports, and would be well advised to appear on the side of the dairy farmers, who now support them in this aim. By alining themselves with the oleo interests they have offended millions of farm families that are included among their best customers, and have additionally imperiled the incomes of those same farm families.

All the witnesses cited we can understand and excuse; they appear before committees because it is their business to appear before committees. That is what they are paid to do. But, Mr. President, it is still not clear to me why the oleo industry itself did not appear before the Senate Finance Committee in an open and forthright attempt to win the legislation it seeks. When giant corporations do not choose to work in the open, it well behooves the average American citizen to watch his pocketbook. When big business seeks to operate behind a screen of other groups, some of them formed solely to put over specific legislation and having no other reason for their existence, it is time to watch our votes as well.

"BUTTER IS ARTIFICIALLY COLORED"

Perhaps the most misleading of the oleo claims is that butter is artificially colored yellow, and that oleomargarine, in consequence, should have the same right to artificial coloring. This supposed argument has been particularly difficult to refute because it contains a germ of truth which dairy organizations have never denied. No dairy farmer hesitates to admit that a small proportion of the Nation's butter—about 20 percent at most—has color added. The oleo interests fail to mention, however, either the comparatively small extent of

this butter coloration, or the reason for it.

In the wintertime, Mr. President, I have placed quite a few of the little tablets of butter coloring in the butter, after I finished churning it, and proceed then to salt it. I colored it as I salted it, but I colored it in the winter months when we were feeding the cows on dry feed, which produces a much lighter-colored butter, but still a butter of decidedly yellow tint, than the rich yellow natural color of the butter in April, May, June, and July when the cows are foraging on the luscious green grass.

When color is added to butter it is for the sole purpose of uniformity—not to make the product resemble something which it is not, as in the case of oleomargarine. Butter is always yellow, and always has been yellow. Winter butter in the northern regions is, of course, somewhat less yellow than butter produced in the summertime when cows are feeding on green pastures. By the same token, our largest milk surpluses occur during those very months of the year when the grass is greenest, and consequently a very large proportion of our butter is produced from milk that is high in carotene content and very yellow in color.

Even so, there are certain regional preferences which must be kept in mind by butter producers, and these preferences occasionally call for modifications in the naturally yellow tint of the butter. Consumers in the South, for instance, like a butter that is so deeply yellow as to be almost orange. Housewives in the New England States prefer a very pale yellow butter, and their preference must be taken into account by the dairymen who supply that market.

The important thing to remember, however, is that all butter produced at whatever season of the year is yellower than any oleomargarine, regardless of the type of vegetable oil used in its manufacture. Our domestic vegetable oils cannot be made to produce a naturally yellow oleomargarine at all, according to the Armour Research Foundation of the Illinois Institute of Technology. The reason for this is that the naturally tan or brown cottonseed and soybean oils must be hydrogenated in order to turn them into fat. The hydrogenation process turns cottonseed oil into a pale gray-green substance, whereas soybean oil becomes a sort of tattle-tale gray when thus processed. These hydrogenated fats must then be bleached, not because of Federal laws but in order to remove undesirable odors, tastes, and colors.

Oleomargarine manufacturers have not the slightest basic claim to the color yellow, no matter how carefully we examine their operations. Even the orange coloration of palm-kernel oil, which oil must be imported and presumably does not meet with the approval of southern Senators who are legislating so wholeheartedly for oleomargarine, cannot be counted upon to carry through the hydrogenation process and lend a butter-yellow tint to the finished product. The palest winter butter is deeper in hue than any oleomargarine produced without artificial coloring.

Assuming that oleomargarine manufacturers were forced from the very beginning to bleach their product white in order to make it palatable, why did they then select yellow as the one color in the spectrum that they wanted to add to make it sell? A vast variety of jams, jellies, and other table spreads has been successfully marketed in this country in a multiplicity of colors ranging from the pale green of mint jelly to the deep purple of grape jam, all of them appetizing. The housewife has not discriminated against any of these products simply because they were offered to her in some color other than yellow. On the contrary, she has bought them in tremendous quantities.

Is it not possible that the oleomargarine manufacturers decided on yellow as a desirable color simply because that is the color of pure creamery butter? Is it not possible that the oleo interests have long sought, and still seek, to profit by the quality, reputation, and good will of local creameries through outright imitation of butter's naturally yellow color? Yes, Mr. President, those things are possible; they are, in fact, probable. But it is not possible to argue successfully that all oleomargarine should be colored yellow because a small percentage of creamery butter receives an even smaller proportion of artificial coloring.

"OLEO IS A FRIEND OF THE AMERICAN FARMER"

Now we come to an often-used argument advanced in certain quarters by the oleo lobby, to the effect that oleomargarine is a friend of the American farmer. The sponsors of this propaganda line point out that cottonseed oil comes from cotton; that soybean oil comes from soybeans; and that both cotton and soybeans are raised on farms, and must be classified as farm products. Having established these points firmly in the minds of their listeners, they then proceed to state that oleomargarine manufacturers buy cottonseed and soybean oils and consequently are friends of the American farmer.

The oleo spokesmen carefully omit any mention of the not-too-remote past, when the industry excused its use of cheap, imported palm and coconut oils by maintaining that a satisfactory oleomargarine could not be made from domestic vegetable oils. That dilemma was solved for them by farm representatives in the Congress, who erected tariff barriers against the importation of foreign oils produced by what amounted to slave labor. Immediately the oleomargarine manufacturers discovered that they could, after all, use our own American oils satisfactorily.

Before the war much, if not most, of our oleomargarine came from sources which helped the American farmer not one iota; but, on the contrary, contributed to the strength of big business corporations and international cartels which controlled the world markets in fats and oils. Now that the war is over, a considerable quantity of palm and coconut oils is once more reaching our shores and is being used in the manufacture of oleomargarine, despite the processing tax imposed for the benefit of our southern farmers.

There has been nothing whatever in all the arguments for repeal legislation advanced by the oleo lobby to indicate that domestic oils will continue to be used in their product. I have heard or read no statement emanating from the oleomargarine industry to the effect that foreign oils will not be substituted for American cottonseed or soybean oil whenever the market warrants, or whenever world prices sink low enough to justify it, or whenever the oleo interests decide that their own selfish aims will be better served by drawing upon the overseas plantations they control.

Meanwhile, it is worth remembering that every pound of butter displaced by a pound of yellow oleomargarine in 1947, fraudulently or otherwise, reduced the income of American agriculture by 46.9 cents. Farmers received only 12.8 cents from each pound of oleomargarine sold that year, but they received 69.6 cents from every pound of butter sold. Is it the work of a friend to take nearly 70 cents from the hands of American farmers every time a pound of oleo displaces a pound of butter, and to give only 13 cents in return?

Oleomargarine manufacturers argue that producers of soybeans and cotton would be greatly benefited by the unregulated sale of yellow oleo. This is not true, because little or no increase is to be expected in the price of cottonseed and soybean oils, and the reductions in dairy herds would deprive these producers of a significant portion of their market for cottonseed and soybean meals. The United States is in a fat-deficit position in normal times. Usually we import far more fats than we export. It was only during the war when the major copra- and coconut-oil-producing countries, the Philippines and the Netherlands East Indies, were under the control of the Japanese, that we exported more than we imported. Since the war we have again become a net importer.

Coconut, palm, and related vegetable oils from foreign sources in normal times establish, or certainly have a vast influence in establishing, the price of domestic vegetable oils. Industrial users of fats and oils shift their raw-material ingredients as price relationships warrant. Coconut oil is very competitive with cottonseed and soybean oil. Therefore, prices for cottonseed and soybean oil in this country will be held in a close relationship to the prices of coconut oil, due to their interchangeability of use. An increase in the prices of cottonseed and soybean oil relative to coconut oil, therefore, will merely cause an increase in imports of coconut oil.

Since cottonseed and soybean oil are sold on a flat-price basis, without regard to use, the oil used in edible products will bring no different price than that of the same grade going into inedible uses. This is quite unlike the dairy industry, where for many years the principle of classification according to use has been recognized. In view of these facts, it is obvious that cottonseed-oil and soybean-oil prices will not increase if restrictions on oleomargarine are removed. Any increase would cause an increase of im-

ports in coconut oil and other foreign fats and oils. The net result, therefore, would be to increase imports of cheap foreign oils—not to increase prices to domestic vegetable-oil producers.

The world oils and fats supply is improving. In the Philippines production was retarded by 1948 by serious typhoon damage, but is again on the upgrade. Exports from the Dutch East Indies are increasing rapidly, although still considerably below prewar levels. United States production of the four major domestic edible oils—soybean, cottonseed, corn, and peanut—is expected to be about 10 to 15 percent above a year ago. The supply has improved to the extent that the Fats and Oils Committee of the International Emergency Food Committee has discontinued the allocation of world oils and fats supplies among importing nations. This amounts to official recognition on the part of the nations involved that the oils and fats shortage is at an end.

Thus, we have the peculiar state of affairs where an industry is asking the Congress, on behalf of the cottonseed and soybean producers, to pass legislation which will not benefit those producers. First, it will not result in any long-run increase in domestic vegetable-oil prices. The price of these oils is determined by the world price levels of competitive oils, the raw materials of which are produced by people with primitive living standards and, therefore, at very low cost.

Second, all of the cottonseed and soybean oil produced in this country is now finding outlets, and has for many years been finding outlets. There is no need to increase outlets which could not be filled by production of these oils. We should note that the production of soybeans and cotton is already heavily subsidized by the Federal Government under price-support programs. Is it wise public policy to encourage a legislative program which will, in the long run, merely increase importation of cheap foreign oils while at the same time subsidizing domestic vegetable oils through price supports?

Soybean oil was not very important until Government programs to encourage soybean production during the war were initiated to offset loss of copra and coconut oil from the Philippines and the Dutch East Indies. Further, we should note that dairy products are subject to price support. Is it wise public policy to drive down the price of butter through removal of oleomargarine regulation, which we would surely do, while in other legislation we order the support of butter prices through price-support programs? We would then have the unusual situation of the Congress forcing the reduction of prices on the one hand, and on the other hand demanding their maintenance through price support.

The only thing that could be done to dispose of such butter, except for small amounts for school lunch and relief programs, would be to dump it abroad or turn it into soap. This would be a most wasteful and uneconomic policy, and dumping would raise another confusing conflict in national foreign trade policy.

The reduction of dairy herds, which will be a longer-run result of the removal of regulation on oleomargarine, will diminish the market for one of the most important byproducts of cottonseed and soybeans. A reduction of 2,000,000 head in the national dairy herd, which I predict will follow removal of all oleomargarine regulations, will sharply reduce the demand for, and the price of, cottonseed and soybean meal.

With respect to the major cotton States, they stand to lose far more by a reduction in dairy production and prices than they could possibly gain from removal of oleomargarine regulations. In the 10 major cotton-producing States, the total farm cash income from dairy products and butter in 1946 was several times the farm value of cottonseed-oil production. The value of cottonseed meal sold to dairymen was actually greater than the value of cottonseed oil used in oleo.

"OLEO IS OPPOSED BY A POWERFUL BUTTER LOBBY"

Mr. President, I have already mentioned the fact that the oleo propaganda machine has managed to transform, into a sort of ogre known as the butter lobby, some 2,500,000 individual dairy farmers. If that is what is meant by a butter lobby, we must also add 250,000 employees of dairy plants throughout the Nation, plus all the workers employed in the supply industries that serve the dairy industry. In all, it has been estimated that some 10,000,000 people derive their livelihood from the production and distribution of milk and milk products, and it is certainly true that all these people represent a considerable number of votes.

However, very few of the metropolitan newspapers, which delight in printing pieces about the butter lobby, seem to be aware of the existence of the much more powerful oleomargarine lobby with millions of dollars more to spend than dairymen ever thought of spending. The reports filed under the Federal Lobbying Act prove the existence of this oleo lobby, and demonstrate that it is considerably better heeled than the dairy and farm organizations that oppose it. The oleo lobby at its best, however, lacks one quality that is essential to the successful furtherance of legislation—it is not truly representative of either producers or consumers.

I wish to say, Mr. President, that I am very happy this afternoon to speak on the floor of the Senate as a representative of farm interests in respect to the problem before us. I shall be perfectly willing to take to the people of my State any editorial attack that attributes to me being a part of a farm bloc. If fighting on the floor of the Senate of the United States for the protection of the best interests of the dairy farmers of the country, and thereby the best interests of agriculture generally, and thereby the best interests of American workers and consumers generally, is to subject me to the criticism that I am a spokesman for the farm bloc, I am happy to plead guilty, and I intend, so long as I serve in the Senate of the United States, to be one who can be counted upon to rise in defense of the best interests of the

American farmer, because protecting the best interests of the American farmer is essential to protecting the best economic interests of American consumers generally.

I am happy also, Mr. President, to plead guilty this afternoon to being opposed to the oleo lobby, and the tactics they have used in the attempt to impose upon American consumers the type of imitation and misrepresentation that constitutes their stock in trade.

The millions of dairy-farm families in this Nation are both producers and consumers, as any small-town merchant or banker, or businessman, can testify. There are 3,500 local creameries in this country, scattered throughout all the 48 States, which turn the dairy farmer's surplus milk into butter, and give him a weekly check in return. Those creamery checks pay store bills in town, and any merchant can tell you how important that cash farm income is to the business life of his community. The dairy farmer is not only a seller but a buyer, and he does his buying in his own home town.

I have no way of knowing how many workers are employed by the five giant oleomargarine companies that do almost 70 percent of the oleo business, but I would venture to say they number only a few thousand. I am equally sure that the oleo plants where these people work are limited to comparatively few communities, perhaps 50 in all.

It is not possible for the small number of oleomargarine plants to influence very greatly the business communities in which they are located, any more than it is possible for the few thousand workers employed by those plants to contribute much to the buying power of the cities in which they live. The manufacture of oleomargarine, like the production of any other synthetic substitute, is highly mechanized and does not require much skill or supervision. A few workers turn a few valves, and a complicated assembly of tanks and pumps and mixers does the rest.

As would be expected, the unimportance of the human factor in this process is reflected in the percentage of return that goes to the farmers who supply the raw materials. That portion of the consumer's dollar that goes back to the cotton planter or the soybean grower is usually around 30 percent, and it is sometimes as low as 22 or even 21 percent. By contrast, almost three-quarters of the consumer's butter dollar goes back to the farmer, who sometimes gets as much as 80 percent of the retail selling price.

Under the circumstances, it is not surprising that millions of dairy farmers support their dairy and farm organization leaders in opposing the unregulated sale of yellow oleomargarine. Millions of small-town businessmen have equally important interests at stake, since they depend upon the farm trade for a large part of their turn-over. The teamsters' unions are active in defending butter outlets because the dairy industry is the largest user of motortrucks in the country. If people like these can be charac-

terized as a butter lobby, then certainly we do have such a lobby and a very influential one.

Opposed to it, however, is the oleomargarine lobby, which certainly exemplifies the type of selfish big business determined to have its own way through the expenditure of unlimited funds. In my opinion, the oleomargarine manufacturers have mistaken power for influence. In a recent article on public relations, *Fortune* magazine pointed out that it is possible to have power without having influence, just as it is possible to exert influence without having power. It is a mistake for the oleomargarine interests to believe that the mere expenditure of millions of dollars will assure the results they want from Congress, just as it was a mistake for them to believe that our legislators would swallow without protest the absurd assertions which they have made throughout the course of their propaganda campaign.

Mr. President, we have seen that Federal oleo regulation is not restraint on free enterprise, as the oleomargarine manufacturers contend. We have disposed of their claim that oleomargarine will not harm the dairy farmer. We have seen that it is not possible for some of our largest dairy States to sell fluid milk, as the oleo lobbyists so glibly advise them to do. We have established very clearly that oleo spokesmen are wrong in stating that there is little danger of fraud in the manufacture and sale of yellow oleomargarine. We know that yellow oleomargarine will not be cheaper if Federal regulation is removed, because the oleo interests have demonstrated very clearly their continued intention to charge all that the market will bear for their imitation butter, if and when they are allowed to market it without restriction. We have reassured ourselves that housewives do not demand yellow oleomargarine, as its manufacturers claim; that the so-called demand for yellow oleo is a fabrication.

We have examined and discarded oleo arguments to the effect that, because a small percentage of butter is artificially colored, all oleomargarine should also have the right to the use of the color yellow. That contention, needless to say, is no better founded than the equally absurd claim that oleomargarine is a friend of the American farmer.

No one seeks to deprive the American housewife of oleomargarine; she ought to be able to buy all the oleomargarine she wants in its most economical, uncolored form, without the payment of any tax whatsoever. This is the stand taken by dairy and farm leaders, when the leading agricultural organizations voted for repeal of all Federal taxes on oleomargarine, provided some other way of restraining fraud and deception could be found.

The Gillette-Wiley substitute amendment undertakes to provide against fraud and deception on the basis of States' rights. In this it follows the precedent set by the Filled Milk Act of 1923, a measure designed to stop the widespread sale of a mixture of vegetable oils and

skim milk as genuine evaporated milk. The Filled Milk Act of 1923 has been reasonably successful in restraining unprincipled manufacturers from imitating a genuine dairy product, and selling it to untary consumers as such. This it does merely by prohibiting the movement of this questionable product in interstate commerce.

States which believe that it is all right for their low-income groups to purchase and use imitation dairy products are perfectly free to allow its manufacture and sale within their own borders. States which do not believe that unprincipled promoters should be allowed to mislead the public along such lines are at equal liberty to ban its distribution without being overwhelmed by imports from neighboring States. The Fluid Milk Act was passed almost unanimously by the Congress, and has twice been upheld by the United States Supreme Court.

Mr. President, I believe that we might well follow the pattern established by that piece of legislation in supporting the Gillette-Wiley substitute amendment, which undertakes to protect consumers and dairy farmers alike by banning interstate commerce in yellow oleomargarine. No hardship would result to oleomargarine manufacturers. No consumers who now buy and use uncolored oleomargarine would be deprived of the product. No State which now permits the manufacture and sale of yellow oleomargarine would be asked to restrain its distribution in any way. But—and this is a very large but—the great dairy States upon which we depend for so much of our milk and meat and other dairy products, would be protected against unfair competition from yellow oleomargarine with its consequent threat to their vital butter outlets. As a co-sponsor of the Gillette-Wiley substitute amendment, I urge the Senate to provide this minimum of protection as the only practical solution to the long butter-oleo controversy.

RECESS

Mr. FULBRIGHT. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 6 minutes p. m.) the Senate took a recess until tomorrow, Friday, January 13, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 12 (legislative day of January 4), 1950:

DEPARTMENT OF JUSTICE

James Michael McInerney, of New York, to be an Assistant Attorney General, to fill an existing vacancy.

COMMISSIONER OF PATENTS

John A. Marzall, of Illinois, now holding recess appointment, to the position of Commissioner of Patents.

IN THE MARINE CORPS

Maj. Gen. William P. T. Hill, United States Marine Corps, to be Quartermaster General of the Marine Corps, with the rank of major general, for a period of 2 years from February 1, 1950.

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1950

Ordered to be printed

JANUARY 6 (legislative day, JANUARY 4), 1950

Modified

JANUARY 10 (legislative day, JANUARY 4), 1950

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AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Proposed by Mr. WILEY (for himself, Mr. GILLETTE, Mr. BUTLER, Mr. THYE, Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER, Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE, Mr. GURNEY, Mr. MUNDT, Mr. AIKEN, Mr. ECTON, Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPEHART, Mr. JOHNSON of Colorado, Mr. CORDON, Mr. HUMPHREY, Mr. DONNELL, Mr. FLANDERS, and Mr. FERGUSON) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: Strike out all after the enacting clause and in lieu thereof insert the following:

1 DEFINITIONS

2 SECTION 1. (a) The term "oleomargarine" as used
3 in this Act includes—

1 (1) all substances, mixtures, and compounds,
2 known as oleomargarine, margarine, oleo, or butterine;

3 (2) all substances, mixtures, and compounds which
4 have a consistency similar to that of butter and which
5 contain any edible oils or fats other than milk fat if
6 (A) made in imitation or semblance of butter, or pur-
7 porting to be butter or a butter substitute, or (B)
8 commonly used, or intended for common use, in place
9 of or as a substitute for butter, or (C) churned, emulsi-
10 fied, or mixed in cream, milk, skim milk, buttermilk,
11 water, or other liquid and containing moisture in excess
12 of 1 per centum and commonly used, or suitable for
13 common use, as a substitute for butter.

14 (b) For the purposes of this Act, "yellow oleomar-
15 garine" is oleomargarine, as defined in subsection (a) of this
16 section, having a tint or shade containing more than one and
17 six-tenths degrees of yellow, or of yellow and red collectively,
18 measured in terms of the Lovibond tintometer scale read
19 under conditions substantially similar to those established
20 by the Bureau of Internal Revenue, or the equivalent of
21 such measurement.

22 (c) The term "commerce" as used in this Act, means
23 trade, traffic, commerce, transportation, or communication
24 among the several States, or between the District of Co-
25 lumbia or any Territory of the United States and any State

1 or other Territory or between any foreign country and any
2 State, Territory, or the District of Columbia, or within the
3 District of Columbia or any Territory, or between points in
4 the same State but through any other State or any Terri-
5 tory or the District of Columbia or any foreign country.

6 PROHIBITED ACTS

7 SEC. 2. The manufacture, transportation, handling, pos-
8 session, sale, use, or serving of yellow oleomargarine in
9 commerce, or after shipment in commerce as yellow oleo-
10 margarine, or in connection with the production of yellow
11 oleomargarine for shipment in commerce, is hereby declared
12 unlawful: *Provided, however,* That yellow oleomargarine
13 manufactured or colored within the borders of a State or
14 Territory in which it is to be consumed shall not be sub-
15 ject to the provisions of this Act but shall be subject to the
16 laws and regulations of such State or Territory. Nothing
17 contained in this Act shall be construed to limit in any way
18 the applicability of the Federal Food, Drug, and Cosmetic
19 Act.

20 SEC. 3. (a) Section 15 of the Federal Trade Commis-
21 sion Act, as amended, is amended by inserting “(1)” after
22 the letter “(a)” in subsection (a) thereof, and by adding
23 at the end of such subsection the following new paragraph:

24 “(2) In the case of oleomargarine or margarine an
25 advertisement shall be deemed misleading in a material re-

1 spect if in such advertisement representations are made or
2 suggested by statement, word, grade designation, design,
3 device, symbol, sound, or any combination thereof, that such
4 oleomargarine or margarine is a dairy product.”

5 (b) Such section 15 is further amended by adding at
6 the end thereof the following new subsection:

7 “(f) The term ‘oleomargarine or margarine’ includes—

8 “(1) all substances, mixtures, and compounds
9 known as oleomargarine, margarine, oleo, or butterine;

10 “(2) all substances, mixtures, and compounds
11 which have a consistence similar to that of butter and
12 which contain any edible oils or fats other than milk fat
13 if (A) made in imitation or semblance of butter, or pur-
14 porting to be butter or a butter substitute, or (B) com-
15 monly used, or intended for common use, in place of or
16 as a substitute for butter, or (C) churned, emulsified, or
17 mixed in cream, milk, skim milk, buttermilk, water, or
18 other liquid and containing moisture in excess of 1 per
19 centum and commonly used, or suitable for common use,
20 as a substitute for butter.”

21 (c) Subsection (1) of section 5 of the Federal Trade
22 Commission Act is amended by adding at the end thereof the
23 following new sentence: “Each separate violation of such
24 an order shall be a separate offense, except that in the case
25 of a violation through continuing failure or neglect to obey

1 a final order of the Commission each day of continuance of
2 such failure or neglect shall be deemed a separate offense.”

3 SEC. 4. (a) Effective on and after the first day of the
4 first month which begins more than twenty days after the
5 date of enactment of this Act—

6 (1) the tax imposed by section 1700 (a) of the
7 Internal Revenue Code (tax on admissions) ;

8 (2) the tax imposed by section 3406 (a) (10) of
9 such code (tax on electric light bulbs and tubes) ;

10 (3) the tax imposed by section 2400 of such code
11 (tax on jewelry) ;

12 (4) the tax imposed by section 2401 of such code
13 (tax on furs) ;

14 (5) the tax imposed by section 2402 of such code
15 (tax on toilet preparations) ;

16 (6) the tax imposed by section 3465 (a) of such
17 code (taxes on telegraph, telephone, radio, and cable
18 facilities) ; and

19 (7) the taxes imposed by section 3469 of such
20 code (taxes on transportation of persons, and on seat-
21 ing or sleeping accommodations in connection with such
22 transportation) ;

23 shall be determined without regard to the war tax rates
24 specified in section 1650 of such code.

25 (b) Effective on and after the first day of the first

1 month which begins more than twenty days after the date
2 of enactment of this Act, section 1651 of the Internal Rev-
3 enue Code (retailers' excise tax on luggage, purses, hand-
4 bags, toilet cases, etc.) is hereby repealed.

5 (c) Effective on and after the first day of the first
6 month which begins more than twenty days after the date
7 of enactment of this Act, section 3406 (a) (4) of the
8 Internal Revenue Code (manufacturers' excise tax on photo-
9 graphic apparatus) is hereby amended by striking out "25
10 per centum" and inserting in lieu thereof "10 per centum",
11 and by striking out "15 per centum" and inserting in lieu
12 thereof "10 per centum".

13 (d) For the purposes of section 1657 of the Internal
14 Revenue Code (relating to floor stocks refunds on electric
15 light bulbs) and of section 1658 of such code (relating to
16 the application of the effective date of rate reduction in the
17 case of telephone, telegraph, etc., services) the term "rate
18 reduction date" means the first day of the first month which
19 begins more than twenty days after the date of enactment
20 of this Act.

21

ENFORCEMENT

22 SEC. 5. The Administrator of the Federal Security
23 Agency is authorized and directed to administer and enforce
24 this Act and to prescribe and enforce rules and regulations

1 to carry out its purposes and policies. The enforcement
2 provisions of the Federal Food, Drug, and Cosmetic Act,
3 including the provisions relating to injunctions and seizure,
4 shall be available for the enforcement of this Act.

5 PENALTIES

6 SEC. 6. Any person, firm, or corporation violating any
7 of the provisions of this Act, or of the rules and regulations
8 issued in connection therewith, and any officer, agent, or
9 employee thereof who directs or knowingly permits such
10 violations, or who aids or assists therein, shall upon con-
11 viction thereof be subject to punishment in the same manner
12 and to the same extent as persons who violate the Federal
13 Food, Drug, and Cosmetic Act.

14 APPROPRIATIONS

15 SEC. 7. There is hereby authorized to be appropriated
16 annually, out of any money in the Treasury not otherwise
17 appropriated, such sums as may be necessary for the ade-
18 quate enforcement of this Act.

19 REPEAL

20 SEC. 8. The following sections of the Internal Revenue
21 Code (relating to taxes on colored and uncolored oleomarga-
22 rine, to special occupational taxes on manufacturers, whole-
23 salers, and retailers of oleomargarine, and to packaging, re-
24 porting, and other regulations of oleomargarine) are hereby

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Proposed by Mr. WILEY (for himself, Mr. GILLETTE, Mr. BUTLER, Mr. THYE, Mr. WITHERS, Mr. MAGNUSON, Mr. HICKENLOOPER, Mr. TAYLOR, Mr. LANGER, Mr. YOUNG, Mr. MORSE, Mr. GURNEX, Mr. MUNDY, Mr. AIKEN, Mr. ECTON, Mr. JENNER, Mr. CAIN, Mr. MCCARTHY, Mr. CAPENART, Mr. JOHNSON of Colorado, Mr. CORDON, Mr. HUMPHREY, Mr. DONNELLY, Mr. FLANDERS, and Mr. FERGUSON) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

8

1 repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305,
2 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201
3 (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305,
4 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201).

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JANUARY 6 (legislative day, JANUARY 4), 1950

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Vol. 96

WASHINGTON, FRIDAY, JANUARY 13, 1950

No. 9

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, January 16, 1950, at 12 o'clock noon.

Senate

FRIDAY, JANUARY 13, 1950

(Legislative day of Wednesday, January 4, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Francis E. Corkery, S. J., president, Gonzaga University, Spokane, Wash., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Eternal God, source of all wisdom, courage, and truth, we humbly implore Thy blessing upon this great legislative body of our Nation, whose deliberations will so deeply affect the lives of our people, and the peace and freedom of our world.

We are profoundly grateful for the privilege and blessing of citizenship in this great land—a land utterly unique in its beauty, its wealth, its fertility, its boundless opportunity—a land above all where men are still accorded the right of men to live in the freedom of the children of God.

Help us by Thy grace to preserve intact the noble philosophy upon which our Nation was founded and under which it has grown to greatness so that we may be Thy instrument in preserving for our Nation, and for the world, the dignity of man, human freedom, and basic human rights.

We ask these blessings in the name of Christ Jesus, our Lord. Amen.

ATTENDANCE OF A SENATOR

GARRETT L. WITHERS, a Senator from the State of Kentucky, appeared in his seat today.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 12, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were com-

municated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Brewster	Hoey	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Myers
Butler	Hunt	Neely
Cain	Ives	O'Connor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Darby	Kefauver	Saltonstall
Donnell	Kem	Schoeppel
Douglas	Kilgore	Smith, N. J.
Downey	Knowland	Sparkman
Dworshak	Langer	Stennis
Ecton	Leahy	Taylor
Ellender	Lehman	Thomas, Okla.
Ferguson	Lodge	Thomas, Utah
Flanders	Long	Thye
Frear	Lucas	Tobey
Fulbright	McCarran	Tydings
George	McCarthy	Vandenberg
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] are absent on official business as members of a subcommittee of the Committee on Public Works, holding

hearings on various flood-control and public-works projects in the State of New Mexico.

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The Senator from Maine [Mrs. SMITH] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. CAIN was excused from attendance on the sessions of the Senate Monday and Tuesday of next week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. FULBRIGHT, and by unanimous consent, the Committee on Foreign Relations was authorized to meet this afternoon during the session of the Senate.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. LUCAS. Mr. President, I should like to have the attention of the Senate for a moment in order that I may submit to the Senate a unanimous-consent agreement with respect to the business pending before the Senate.

I ask unanimous consent that the following order be entered:

Ordered, by unanimous consent, That on the calendar day of Tuesday, January 17, 1950, at the hour of 1 o'clock p. m., the Senate proceed to vote, without further debate, upon any amendment that may be pending or that may be proposed to the so-called Wiley-Gillette substitute, as modified, for

the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; upon any amendment to an amendment to such substitute; and upon the substitute itself: *Provided*, That no amendment that is not germane to the subject matter of said substitute shall be in order.

Ordered further, That the time between 12 o'clock and 1 o'clock on said day be equally divided between the proponents and the opponents of the said substitute and controlled, respectively, by the Senator from Wisconsin [Mr. WILEY] and the Senator from Arkansas [Mr. FULBRIGHT].

The VICE PRESIDENT. Is there objection to the request?

Mr. McCLELLAN. Mr. President, reserving the right to object, and I do not desire to object to the request if I can be given the understanding that certain amendments which have been proposed, which, of course, are not yet pending, but which it has been announced would be offered, are not germane to the pending bill. I speak with reference to what we all know as the civil-rights amendments. If they are not germane to the bill, then, of course, I have no objection to the request.

Mr. LUCAS. I will say to the Senator from Arkansas that what we are now proposing is to vote on what is identified as the Wiley-Gillette substitute. I am certain that the Presiding Officer and the Parliamentarian would say that the civil-rights amendments are certainly not germane to the Wiley-Gillette substitute.

Mr. McCLELLAN. It would be my interpretation also that they are not germane. I certainly could not consent to the request if I thought they were to be held germane and that a vote would be forced on them without opportunity to discuss them.

Mr. LUCAS. I appreciate what the Senator says. Let me add a further statement to the colloquy. Entering into the agreement would not preclude, however, the proponents of the civil-rights measures from offering them ultimately to the bill itself, in the event the substitute should be defeated.

Mr. McCLELLAN. But if the civil-rights amendments are then offered, debate would not be precluded on them?

Mr. LUCAS. Oh, no.

Mr. McCLELLAN. I am sure the able majority leader appreciates what I am undertaking to do; that is, to make certain that we shall not be precluded from proper and full discussion of civil-rights amendments if and when they are offered.

Mr. LUCAS. The Senator will not be precluded from debating at length all the civil-rights amendments, of course, when the time comes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. ROBERTSON. Mr. President, reserving the right to object, I wish to say that unfortunately the senior Senator from Virginia [Mr. BYRD] and the junior Senator from Virginia were anxious to attend the inauguration of the new Governor of the State of Virginia, in whose success we had some interest, and we were scheduled, with the consent of the Senate, to be away from Washington on

Tuesday of next week. I was under the impression a request would be made to vote on the Wiley-Gillette substitute on Monday.

I understand that in order to accommodate one or two Senators it is proposed that the vote be postponed until Tuesday. I realize, of course, that we cannot have any fixed date for voting in the future which will suit all 96 Members of this distinguished body. But it is my understanding that under parliamentary rules the bill must first be perfected, before action is taken on a substitute for the whole bill. If it would not unduly delay action on this important measure it would certainly be most accommodating to the senior Senator from Virginia and the junior Senator from Virginia if the time from now until Thursday could be consumed in perfecting the bill and disposing of that, and then on Thursday next the vote be taken on the substitute. I ask our distinguished majority leader if he would not be willing that that be done.

Mr. LUCAS. I appreciate the position in which the able Senator from Virginia finds himself with respect to a long-standing engagement which I, of course, know is tremendously important to both Senators from Virginia.

Mr. President, we find ourselves in the same situation we always do with respect to requests for a unanimous-consent agreement. Personally, I should like to vote this afternoon. Yesterday I offered a request for a unanimous-consent agreement providing for a vote this afternoon. We have debated and discussed the pending amendment at great length. In my opinion there is no reason why we could not vote on it this afternoon, and then permit the bill to go over until Monday, and vote on the bill some time Monday. In my opinion, the pending amendment is the most important amendment which will be presented by any Senator with respect to the merits of the bill. We have debated it some 11 or 12 days. It seems to me we should be able to vote on it this afternoon. I am perfectly willing to do that, rather than vote on the amendment on Monday or Tuesday, or wait until the following Thursday to vote on the bill. If we are going to wait another week we might just as well have no unanimous-consent agreement at all, and simply let the debate take its natural course, finally making a determination one way or the other.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TYDINGS. By way of inquiry, I should like to ask the able majority leader if he has explored the possibility, and if there is a likelihood of achievement, of having the unanimous-consent request which he has just propounded amended so as to provide for a vote on Monday instead of Tuesday, and whether we could not accommodate ourselves to that situation without injury to any particular Senator?

Mr. LUCAS. Mr. President, in reply to the distinguished Senator from Maryland, I should like to say to him that it was more or less on the advice of the Senator from Arkansas [Mr. FULBRIGHT]

that we agreed to vote on Tuesday. I am sure the Senator from Arkansas did not appreciate the situation in which the two Senators find themselves at this time, although I am sure he was attempting to accommodate two other Senators who cannot be here on Monday.

Mr. FULBRIGHT. Mr. President, if the Senator will yield to me, let me say that is exactly the case. I was in hope that we could reach a vote today and that we could obtain agreement in that respect from the proponents of the substitute.

Then the Senator from New Hampshire and the Senator from Mississippi [Mr. EASTLAND], in discussing this matter, said the one day they could not be here was Monday. I agreed I would not ask for the vote on Monday. I am perfectly willing to have the vote taken either today or on Tuesday.

But I hope Senators will realize that there will not be any day when some Senator will not be absent. In view of the preliminary discussion we had with the Senator from Nebraska yesterday, I understood that Tuesday was acceptable.

If we attempt to wait until every Senator can be present, it will only mean that we may not be able to get a vote at all, or else not for a very long time.

Mr. ROBERTSON. Mr. President—

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield first to the Senator from Virginia, who has been on his feet, requesting recognition, for some time.

Mr. ROBERTSON. Mr. President, I wish to say that it has never been my inclination at any time since I have been a Member of this body or of the body across the hall, to ask for special consideration for myself.

I presented my peculiar problem. I realize what the majority leader is up against.

I am committed to vote for the repeal of the tax on yellow oleomargarine, and I wish to go on record on that vote. The bill is an important one, and it already has consumed much time in a very vital session which I believe and hope will end by July 31.

I shall not object to the request for a vote at 1 o'clock on Tuesday, and I shall cancel my engagement in Richmond up to that point, and then light out, and hope I will not get arrested going down there. [Laughter.]

The VICE PRESIDENT. The Chair might advise the Senate, for its information, that so far as the Chair knows, only three Senators have indicated a purpose to speak today—if that will shed any light upon the possibility of an early vote.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I wish to state to the distinguished majority leader, now that he has yielded, that it is perfectly agreeable to try to have the agreement provide for the vote on Monday. I think that can be done. I am sure I told the distinguished Senator from Arkansas that a vote on Monday would be agreeable. But in order to work out the unanimous-consent agreement in compliance with

the request of the Senator from Arkansas, we made it Tuesday.

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. Now the Senator from Virginia has agreed to a vote on Tuesday, so that hurdle has been crossed.

I am quite satisfied now that it will be agreeable to vote on Tuesday, so far as concerns Senators on this side of the aisle to whom I have spoken. I did not canvass every Senator, but I did take up the matter with those who are in charge of the pending legislation. We talked to as many as we could.

But in order that each and every Senator might be here to present his views and ideas as to whether the vote should be taken on Monday or on Tuesday, the matter is now being discussed, after a quorum call.

The VICE PRESIDENT. The Chair would state that, under the rule, a quorum call is not required before entering into a unanimous-consent agreement in regard to a vote on an amendment; but only in regard to a final vote on a bill or resolution is a quorum call required.

Mr. WHERRY. Mr. President, it is my understanding, however—and I agree with what the distinguished President of the Senate has just said—that the proposed unanimous-consent agreement also includes an agreement to vote on the substitute; and the substitute, if adopted, will preclude any further amendments to the bill. For that reason, I suggested to the distinguished majority leader that I personally would like to have a quorum call, because in reality, if the substitute is adopted, that vote will preclude the offering of amendments to the bill.

Mr. LUCAS. Mr. President, in reply to the distinguished minority leader, let me say that we had a quorum call yesterday on that theory. After we went through with the quorum call, I understood that two Senators were to be absent today, so that the Senator from Nebraska had to make objection for them, so far as having a vote taken this afternoon. So, after all, there was no use in having a quorum call under those circumstances; it was rather absurd to do so, because the distinguished minority leader had to protect the two Senators who would not be here today, and who would have objected if they had been here on yesterday.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I think that if the RECORD is examined closely it will be found that I stated I wanted to object until later in the afternoon, because I had been told by two Senators that they desired to offer an amendment to the bill. I was not sure that they would offer it; and I said that I would endeavor to work out a unanimous-consent agreement at that time.

I appreciate the fact that the majority leader has endeavored to comply with my request in regard to quorum calls. There is no dispute here, unless there will be objection on the part of some Senator whom we have not yet contacted to agreeing to vote on Tuesday.

Mr. LUCAS. Mr. President, in view of the last statement made by the minority leader, I wonder whether we can

agree to vote at 4 or 5 o'clock this afternoon on this amendment.

Mr. GILLETTE. Mr. President, reserving the right to object, let me say I have no intention of objecting to the unanimous-consent proposal which has been made to vote on Tuesday. I shall object if there is an attempt to change the proposal to provide for a vote on an earlier date.

Under the reservation of objection I have just made, I should like to ask one question of the majority leader, relative to the purpose and effect of the unanimous-consent request. As I understand, the effect will be to give the substitute and amendments pending to the substitute precedence over the amendments offered to the original bill, which are pending, and will dispose of the substitute and amendments to it, as of the date fixed, but will leave the bill and other amendments to be considered later.

Mr. LUCAS. The Senator is absolutely correct in his understanding of the unanimous-consent proposal.

Mr. GILLETTE. I should not object to the original proposal; but in view of the statement made by the junior Senator from Virginia, I shall object to any attempt to reach an agreement for a vote prior to that time.

Mr. LUCAS. I thoroughly understand the position of the Senator from Iowa.

Mr. HENDRICKSON. Mr. President—

Mr. LUCAS. I now yield to the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, the senior Senator from New Jersey and the junior Senator from New Jersey find themselves in exactly the same position as that of the distinguished Senator from Virginia [Mr. ROBERTSON]. On Tuesday New Jersey is inaugurating a governor who has won the admiration of the people of the State, and who is very close to the New Jersey Senators. We would like, if we can, to be in attendance at that inauguration. So we would prefer, if possible, to reach a unanimous-consent agreement for a vote before Tuesday.

However, if the unanimous-consent agreement is to provide for a vote on Tuesday, we, like the distinguished junior Senator from Virginia, will stand by and will participate in the agreement which is reached by the Senate.

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement which has been proposed?

Mr. CORDON. Mr. President, reserving the right to object—

Mr. LUCAS. Mr. President, let me inquire who has the floor. I yielded to the Senator from New Jersey.

The VICE PRESIDENT. The Senator from New Jersey concluded his remarks, and the Senator from Oregon rose under what the Chair thought was a reservation of objection.

Mr. CORDON. The Chair is correct.

Mr. LUCAS. Do I still have the floor?

The VICE PRESIDENT. The Senator from Illinois does.

Mr. LUCAS. Will the Senator from Oregon wait for a moment, please?

Mr. CORDON. I am happy to do so.

Mr. LUCAS. Did the Senator from New Jersey make objection to the unanimous-consent request?

Mr. HENDRICKSON. I did not make objection. I said that I thought it would be very inconvenient for the senior Senator from New Jersey and the junior Senator from New Jersey to be here on Tuesday; yet if the Senate enters into the unanimous-consent agreement to vote on Tuesday, we will be here to vote on Tuesday.

Mr. LUCAS. I thank the Senator.

I now yield to the Senator from Oregon.

Mr. CORDON. Mr. President, reserving the right to object, I should like to inquire whether the request for unanimous consent, if granted, would preclude the offering of any additional amendments to the pending substitute.

Mr. LUCAS. The unanimous consent agreement as proposed permits any amendments to be offered to the pending substitute up to the time when the voting begins, which would be at 1 o'clock on Tuesday.

Mr. CORDON. In other words, we would vote at 1 o'clock on Tuesday on the substitute, and at that time the amendments which may be offered to the substitute prior to that time will be voted on before the substitute itself is voted on. Is that correct?

Mr. LUCAS. That is correct, assuming that the amendments are germane.

Mr. CORDON. I have no objection.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Reserving the right to object, let me say that I myself had planned to be away on Tuesday. But if all other Senators are going to yield in respect to Tuesday, I shall withdraw any objection which otherwise I would make, and will cancel my engagement.

However, in view of the fact that it seems that there are now five of us who would like very much to be away on Tuesday, if we can do so, I would prefer to have the vote taken on Thursday, because I understand that some Senators who have to be away on Tuesday also have to be away on Wednesday.

So I wonder whether the majority leader would amend his proposal so as to provide for the taking of the vote on Thursday.

Mr. LUCAS. Mr. President, in reply, I reluctantly say that I cannot agree to make that change. If we can reach agreement to vote on Tuesday, I feel that we must do so.

I thoroughly understand the position of the Senator from New York and of other Senators; but, after all, there is important business which must be disposed of by the Senate, and we are now on the second week of the debate on this measure, and have not yet voted on a single amendment. Yesterday the distinguished Senator from Arkansas was willing to accept an amendment offered by the distinguished junior Senator from Wisconsin [Mr. MCCARTHY], but that is the only business which has been transacted in connection with the pending measure. I feel that we must get along with the business of the Senate, and I simply cannot agree to a further postponement.

Mr. IVES. Mr. President, reserving the right to object, let me say that the

senior Senator from New York will not object to having the vote taken on Tuesday; and, as other Senators have indicated, he will cancel his engagement for Tuesday, under those circumstances.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I do not wish to be technical, but I should like to respond to the inquiry made by the distinguished Senator from Oregon. If I correctly understand the unanimous-consent agreement, it provides that the Senate shall proceed, without further debate, to vote upon any amendment which may be pending at that time or any amendment which may be proposed, so that all rights are protected. Of course, there could be no debate on an amendment after the hour fixed in the proposed agreement, but an amendment could be offered until the vote is taken on the substitute. Am I correct?

The VICE PRESIDENT. The Chair will answer the question. Under the unanimous-consent proposal, any and all germane amendments can be offered up to the hour of 1 o'clock; but, after 1 o'clock, they cannot be debated. They can be voted upon before the final vote on the substitute. Is there objection to the request?

Mr. WILEY. Mr. President, reserving the right to object, I feel that we should try to accommodate Senators who may be inconvenienced by the agreement. The agreement was attempted to be entered into, without consultation with certain Senators who are really concerned. At various times, the majority leader has spoken about the debate having extended a long time. Fortunately, I have had the RECORD examined, and I find that, during a period of about 2 weeks, and until yesterday, the total time consumed was 29 hours and 15 minutes. From January 4 to January 11, inclusive, there were 14 hours and 15 minutes consumed in discussion of the oleo bill. The remainder of the time was consumed on other matters. If we estimate that a period of 5 hours was consumed on the bill yesterday, the total time spent on the oleo bill is 19 hours and 15 minutes. The proponents of the bill consumed in the neighborhood of 4 hours of that time. So I do not think there can be any suggestion of undue delay. We had a discussion of world affairs and of other issues which were injected. Debate on extraneous matters yesterday consumed more than 1 hour.

I, for one, should like to have an agreement which would accommodate as many Senators as possible, such as an agreement fixing the time for voting on Thursday next. I feel that it is very important that Senators be here, if possible. I must say that the opposition is pretty well informed as to who, on their side, will be absent at certain times, but we do not have the machinery and the facilities for doing that. I feel that I should suggest to the majority leader that the request which has been made by the five Senators be given consideration, and that we see whether it is possible to arrange for a vote sometime Thursday afternoon.

Mr. President, I ask unanimous consent that a tabulation showing the time

spent in debating the oleo bill from Wednesday, January 4, to Wednesday, January 11, inclusive, be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

DEBATE ON H. R. 2023, THE OLEOMARGARINE BILL

WEDNESDAY, JANUARY 4, 1950

Duration of session: 3 hours and 52 minutes.

Discussion: 2 hours.

The bill was taken up about 1:55 p. m. and discussed by Senators GEORGE and FULBRIGHT.

THURSDAY, JANUARY 5

Duration of session: 5 hours and 55 minutes.

Discussion: 1 hour and 20 minutes.

Senator GILLETTE spoke approximately 1 hour and 20 minutes.

Foreign policy debate consumed rest of session.

FRIDAY, JANUARY 6

Duration of session: 2 hours and 53 minutes.

Discussion: 2 hours and 10 minutes.

Senator AIKEN, approximately 1 hour and 15 minutes.

Senators MCCARTHY, LANGER, and WILEY about 55 minutes.

MONDAY, JANUARY 9

Duration of session: 5 hours and 58 minutes.

Discussion: None.

No discussion of oleo bill. Foreign policy debated entire day.

TUESDAY, JANUARY 10

Duration of session: 5 hours and 38 minutes.

Discussion: 5 hours.

Senator HUMPHREY spoke about 2 hours. Senators YOUNG, BUTLER, and ECTON took about 2½ hours. Quorum calls and discussion of time to vote took about 30 minutes.

WEDNESDAY, JANUARY 11

Duration of session: 5 hours and 2 minutes.

Discussion: 3 hours and 45 minutes.

Senators THYE and LANGER consumed approximately 3 hours and 45 minutes.

Approximate time consumed in debate on oleo bill from January 4 to January 11, inclusive: 14 hours and 15 minutes.

Total time Senate in session: 29 hours and 18 minutes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, does that mean that we are to vote at 1 o'clock Tuesday?

The VICE PRESIDENT. The vote is to be taken at 1 o'clock Tuesday.

TRANSACTION OF ROUTINE BUSINESS

Mr. HICKENLOOPER obtained the floor.

The VICE PRESIDENT. If there is no objection, and if the Senator from Iowa will yield for that purpose, the Chair will recognize Senators who wish to put in the RECORD petitions or memorials, and introduce bills or present other routine matters. It is better to do it now than to have it done throughout the afternoon.

REPORT OF PHILIPPINE ALIEN PROPERTY ADMINISTRATION — MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the

President of the United States, which was read, and, with the accompanying report, referred to the Committee on the Judiciary:

To the Congress of the United States:

I transmit herewith for the information of the Congress the second annual report for the Philippine Alien Property Administration for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 13, 1950.

EXHIBITION OF WORKS OF ART FROM VIENNA MUSEUMS

The VICE PRESIDENT. The Chair lays before the Senate a letter from the National Gallery of Art, Washington, D. C., which may be of interest to Senators. The clerk will read the letter.

The legislative clerk read the letter, as follows:

NATIONAL GALLERY OF ART,

Washington, D. C., January 12, 1950.

The Honorable ALBEN W. BARKLEY,

The Vice President of the United States, Washington, D. C.

MY DEAR MR. VICE PRESIDENT: The exhibition of works of art from the Vienna museums, which are on loan from the Austrian Government to the National Gallery, will close on Sunday, January 22. The attendance has been very large and will probably increase during the closing days of the exhibition.

I would like for the Members of the Senate and their families to have an opportunity of seeing the collection as comfortably as possible and would be delighted to arrange a private view for them on Friday afternoon, January 20, after the gallery closes at 5 o'clock. We should be glad to have them come to the gallery from 5:15 to 7 o'clock and to use the entrance on Constitution Avenue at Sixth Street. I should be grateful if you would be kind enough to extend the invitation to them and also to the Senators' secretaries, clerks of the committees, and members of the Senate Press Gallery, with their wives.

I hope that we shall have the pleasure of welcoming you and Mrs. Barkley on that occasion, and with kind regards, I am,

Sincerely yours,

DAVID E. FINLEY, Director.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SPECIAL ASSISTANTS EMPLOYED BY DEPARTMENT OF JUSTICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report showing the Special Assistants employed by that Department for the period July 1 to December 31, 1949 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Attorney General, withdrawing the name of Mary Elizabeth Coughlin from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted by him to the Senate on October 17, 1949; to the Committee on the Judiciary.

SCHEDULES OF PUBLIC WORKS AND IMPROVEMENT PROJECTS UNAPPROPRIATED FOR BY DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior, transmitting, pursuant to Senate Resolution 136, Eighty-first Congress, a copy of schedules of public works and improvement projects and related work of the Department of the

to any person operating a barber shop, beauty parlor, or similar establishment for use in the operation thereof." Sales to such establishments for resale would continue to be taxed, as under existing law, when resale is made. Under the bill, likewise, preparations so sold would be taxed upon resale, if in fact they were resold instead of being used in operation.

Subsection (b), proposed to be repealed by the bill, prescribes the occasion of the tax and what the tax base shall be, in the case of toilet preparations sold to the operator of an establishment of the kind above mentioned for use in its operation, or sold to him for resale but in fact used in operation. In both cases, the tax base is the price paid for the articles by the operator. The tax is imposed at the time of the sale, where the sale is for use in operation; in the case of a sale for resale, where the article is not resold but is used in operation, the tax is imposed when the article is first set aside for such use. The repeal of the subsection supplements the amendment to subsection (a), to make complete the exemption of toilet preparations sold for use or used in the operation of a barber shop, beauty parlor, or similar establishment.

EFFECTIVE DATE

The changes made in existing law by the bill would become effective on the first day of the first month which begins more than 10 days after the date of enactment.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"INTERNAL REVENUE CODE

"SEC. 2402. TAX ON TOILET PREPARATIONS

"(a) Tax.—There is hereby imposed upon the following articles sold at retail a tax equivalent to 20 percent of the price for which so sold: Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous, toilet powders, and any similar substance, article, or preparation, by whatsoever name known or distinguished; any of the above which are used or applied or intended to be used or applied for toilet purposes, *except when sold to any person operating a barber shop, beauty parlor, or similar establishment for use in the operation thereof.*

"[(b) Beauty parlors, etc.: For the purposes of subsection (a), the sale of any article described in such subsection to any person operating a barber shop, beauty parlor, or similar establishment for use in the operation thereof and not for resale, shall be considered a sale at retail. The use in such operation of any article described in subsection (a) purchased by such person on or after the effective date of section 622 of the Revenue Act of 1942 for resale, shall be considered a sale at retail by such person at the time the article is first set apart for such use and at a price equivalent to the amount paid by him for the article.]"

RENT CONTROL—EDITORIAL FROM THE OMAHA WORLD-HERALD

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "And on and on," having to do with rent control, from the Omaha World-Herald of January 5, this year.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AND ON AND ON

The time has not come to end rent controls, President Truman believes. He has asked for

another 1-year extension, from June 30, 1950, to June 30, 1951.

In support of his demand, Mr. Truman makes two points: (1) That in areas where controls have been removed rents have gone up; (2) that there is still an acute shortage of housing for the lower- and middle-income groups.

If Mr. Truman's points are valid, there will never be an end to national rent control. It will go on and on.

Discussing point No. 1, Mr. Truman says that a survey of six typical cities showed rent increases of 13.8 to 41.3 percent after controls were lifted.

Rents were frozen in 1942, at a time when the rental index stood at 108. In cities where controls have been lifted the rental index now stands at 135 to 166.

The general cost-of-living index stood at 116 in 1942, now stands at 169.

Even in decontrolled cities, then, the rise in rents has been smaller than the general rise in the cost of living.

The way to get rental housing at reasonable prices is to remove controls, and we think Omaha is giving a remarkable demonstration of this truth. Decontrolled, Omaha is entering the biggest rental housing boom in its history. Responsible builders are planning a 432-unit apartment at Thirty-eighth and Jackson, a 700-apartment development near Twenty-fourth and St. Marys, and numerous others.

To be sure, these apartments are not specifically designed for the lower- and middle-income groups, but the people who move into them will vacate apartments and houses that will be available at reasonable rentals. This is the classic method by which low-cost housing has been provided in this country. Only in recent years has the theory that low-cost housing should always be brand new housing been advanced, and this can be accomplished only by Government subsidy. It is, we submit, as silly as it would be to insist that the man who wants low-cost transportation should not buy a serviceable 1948 Chevrolet, but a new car paid for in part by the Government.

Omaha was one of the first metropolitan cities to escape from rent control. Now, a couple of months later, it is on the threshold of its biggest housing boom. We submit those two interesting facts to the attention of the die-hard few who are still clamoring for rent control.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. HICKENLOOPER. Mr. President, the argument as to oleomargarine and butter has gone on for decades in this country, and is perhaps now going on all over the world. There is nothing new about it, and yet there is something tremendously ominous and dangerous about any final conclusion which may possibly be reached on this floor today or tomorrow, or whenever the vote is taken on this question, for it may fix the fate eventually of the dairy cow of the United States and perhaps of the world. The various merits and demerits of butter and oleomargarine have been pretty well canvassed by speakers who have given the Senate much very valuable information in the past few days. Many moral arguments have been advanced by speakers who canvassed the situation pretty well. I think we could, as a result of this debate, up to this point at least, come to some fairly clear-cut propositions that have developed. It seems to me the

meat of this great controversy is the question of economic competition. That seems to be the major stimulus to the oleo people who are attempting to substitute in the diets of the American people an oil emulsion which violates all the pure-food provisions applying to other foods in the United States, and will have its net result in the lowering of the standards of the dairy industry and the possible eventual elimination, after a period of time, of much of the butter business which has brought prosperity to our diversified farm areas and to some of our specialized farm areas.

My State of Iowa has become a great butter-producing State. I do not know whether I want to dispute with my good friend, the senior Senator from Minnesota [Mr. THYE] as to whether his State produces more butter than does the State of Iowa, or whether Iowa produces more than Minnesota, but I am reliably informed that today those two States produce more butter than any other States in the Union, and whether we are first or second does not make too much difference. It does mean that butter production is one of the major industries in the greatest diversified agricultural State of the Union.

I have lived all my life in Iowa, and I have seen prosperity go up and down. In the early days it was mostly down. I have seen many farmers of Iowa begin to lift their mortgages and to accumulate a little personal independence, after they began to milk cows and found a market in which they could sell their butter. In the State of Iowa we have always called pigs the mortgage raiser. It has produced a greater volume of money in the past for the relief of obligations and debts than has any other one branch of our agricultural economy.

There are reasons for that, into which I shall not go at this time, but in the days when the hog was considered to be the sole mortgage lifter of the Iowa farmer, the means of distribution of milk and the distribution and sale of butter had not been brought to the point of efficiency to which the farmers themselves have raised it at this time. Changes and developments in the standards of cleanliness and of preservation, and new means of shipment, have indeed brought butter in my State up to the point where it is one of the most stabilizing of the economic products of our farms. Iowa, unfortunately, is a State which is not close to the great fluid-milk-consuming areas which handle great quantities of fluid milk, and we had to find means and methods of disposing of our milk other than through an attempt to concentrate in the fluid-milk market. We cannot sell our Iowa milk in Washington, D. C. We would have great difficulty, with few exceptions, in the eastern part of our State, in selling large quantities of fluid milk in the city of Chicago, which is several hundred miles from the heart of our State, and our fluid milk is not subject to ready markets such as is the fluid milk in locations nearer great concentrations of population and in great cities. In my State we have had to find some way to take advantage of the natural qualities of milk in order to make its production a paying proposition and economically sound. We have found such

means in the greatly increased production of butter and cheese. We also raise soybeans in Iowa. I think it is probably the second State in the Nation in the production of soybeans, which mean soybean oil. But the marketing of soybeans and its products, such as oil and mash, present far different problems and lend themselves to far easier solution and more versatile handling than do milk and milk products.

So, Mr. President, we are very much concerned about butter. In Ames, Iowa, at our State college, there has been developed one of the greatest butter-research departments in the world. Years ago the problem was realized, and we have devoted a great portion of the work of the agricultural school to the study of butter and the products which can come from raw milk. That has in large measure been occasioned by our remoteness from great centers of population. So it is very vital to us that butter, which is the outlet for the milk produced by the dairy cattle on an overwhelming number of our small family size diversified farms, shall not be given a death blow because a few concentrated corporations want to get into a highly profitable and deceptive business and substitute a synthetic product for an age-old food which has nourished civilization since man was able to domesticate the cow.

It will mean a great deal to our individual economy, of course, whatever shall be the result. But we are concerned because Iowa is a State of family-size farms and of family-size dairy producers. Almost without exception, it can be said that the average farm in Iowa, which consists of approximately 164 acres, keeps a substantial number of dairy cattle, depending entirely upon the farmer's inclination toward dairy cattle. I should say from 8 to 15 or 20 dairy cattle would be maintained. Such a farmer will not call himself a dairy specialist, nor will he claim he is in the dairy business exclusively. He is in the dairy business for two reasons: One is that he has learned throughout the years that one of the most important soil-conservation practices he can adopt is to maintain animals, and especially dairy cows, on his farm, and, secondly, he has found that the production of milk and cream, which can be turned into butter, and, more recently, the production of cheese, has brought in a check each week which pays much of his grocery bill and incidental expenses which he and his family must meet, and it levels out some of the hazards of the highs and the lows which the normal cropping of land in row crops and otherwise forces upon the farmer.

The farmer has been able to build up a stable market for his butter on the basis of cleanliness and the improvement of quality and taste of his butter, and he has been able to build up a fairly reliable and consistent price.

The two and a half million dairy farmers, most of whom are small farmers on family-size farms, are facing what may well amount to a major catastrophe, under diversified farming operations, and which may affect the diet of the

public in future years beyond what we now know.

This problem has resolved itself, I think, so far as the issues immediately before us are concerned, into two things. One is the color of a synthetic product, and the other is the question of the interstate shipment of that product. The question of taxes on oleomargarine, under the pending legislation, is completely out of the picture, because under the bill before us, H. R. 2023, and under the Wiley substitute, the elimination of all taxes on oleomargarine is proposed, so that both measures before the Senate propose to eliminate all taxes on oleomargarine.

That issue, therefore, is out of this debate, because either way we go, the tax question is eliminated.

So, Mr. President, I am supporting and have supported the theory of the elimination of the tax on oleomargarine. I think we should lay the ghost of the tax at this point, because even now there is no appreciable tax on oleomargarine across the counter at the store. That is the greatest misrepresentation and distortion that has been foisted on the American people through what I regard as fraudulent advertising and ill-advised and uninformed statements. The only tax on uncolored oleomargarine, as such, to the housewives or other consumers today is a quarter of a cent a pound, plus a small license fee which the dealer or manufacturer has to pay. However, when oleomargarine is changed from its natural state, and there is an attempt by coloring it, to sell it in imitation of butter, then there is a tax of 10 cents a pound on it. But anyone in Washington may buy oleomargarine today, and, if he desires, color it at home, without any tax except the quarter-of-a-cent-a-pound tax, plus the dealer's license fee that inheres in the product itself.

But the question of taxes, Mr. President, has been eliminated from the bill and we may disregard it and consider the question of color. It has been amply developed in this debate by the various Senators who have spoken that oleomargarine is a synthetic product put together after a fashion and represented as being the equal of butter in all its uses as a spread. I cannot say that necessarily that is true or untrue. Ample chemical opinion can be obtained to the effect that oleomargarine does not have the long-range, sustained nutritional value of butter. Other opinion can be obtained to the effect that its nutritional value is comparatively equal to that of butter. So I am not sure just what the truth of the matter is. But I know that the entire foundation upon which the producers of oleomargarine attempt to operate today is a foundation of deception and an attempt to steal an age-old industry's development of a color and a method and a system of acceptance which butter has built up over the years.

No one in the butter industry objects, so far as I know, to the sale of oleomargarine on its own merits—in its natural state—but the attempt is made to stick the nose of the oleomargarine camel under the tent of the butter business,

which can result in only one thing. If they are permitted to sell and ship in interstate commerce oleomargarine colored to the exact color of butter, and advertised deceptively, as the junior Senator from Wisconsin pointed out yesterday, as the "breath of the farm," or as "farm fresh," or something of that kind—if they are permitted to do that under the cover of the color of butter, the result will be disastrous to the butter industry. The advertising appropriations of the oleomargarine industry, which consists, I am told, of only about 28 companies in the United States, of which about 10 or 12 control about 65 percent of all the business, reach as high as \$6,000,000 a year. If this bill, with the restrictions it removes on oleo, is passed, undoubtedly, the advertising budget will go many times higher; and with the artful methods of modern presentation, used without restraint, the oleo interests will come pretty close to driving the butter of the United States off the market entirely in the not too distant future, or will make butter, because of the competition of the low-cost oils, eventually such a luxury product that very few people, indeed, will be able to afford it.

Manifestly, at the present time, on the basis of price, butterfat at 75 cents a pound simply cannot compete with soybean oil or cottonseed oil or coconut oil at 12 or 13 cents a pound. I am told that oleomargarine is now selling for around 26 and 28 cents a pound. If we merely take the proper differential, we find that butter is selling at nowhere near the mark-up margin, percentage-wise or even pennywise, at which oleomargarine is selling today to the American public, based on the cost of the basic oils which go into oleomargarine. In other words, the manufacturers of oleomargarine, made from the oils which are employed in its production, and sold tax-free to the public, should be selling oleomargarine to the public at about 17 or 18 cents a pound, rather than the 26 to 28 cents a pound they are now charging. I have no doubt that once the permission is given to the small concentration of great corporations to make oleomargarine as only a side line, before long they will have such a hold on the market that they will be able to increase the price of oleomargarine, and instead of giving the people a cheaper product, the people will be eventually paying a greater price. The profits will go into the pockets of such great world oil-controlling trusts, if you please, as Lever Bros., as was so well demonstrated by the Senator from North Dakota [Mr. LANGER] the other day.

Mr. President, I do not care to take a great deal of the time of the Senate in the discussion of the question of color, and I shall not do so, as other Senators have discussed it. It has been pointed out heretofore, but I think we should accentuate the fact, that the courts of the land themselves have protected color. People are heard to say that there is no exclusive right to a color, that the butter producers cannot contend that they should be protected in the color of butter, which has been standardized by usage

and by the expenditure of a great deal of money and a great deal of training over the past many years, and that they have no exclusive right to the use of that color in their product. The courts of the country have decided differently. The famous Yellow Cab case has been called to the attention of the Senate repeatedly. I shall not requote the decision, but I again wish to emphasize the case. The color of soap, I believe in the Lifebuoy case, was clearly set forth as being a factor in the special development and the special attention given to that soap by the company which has been mentioned. So color has been protected.

The Federal Trade Commission undertakes today to protect one industry against apparently intended aping its product by another industry, that is, it protects a corporation, or a producer, or manufacturer against labeling or advertising by another designed to deceive the purchaser into thinking that he is buying some other brand or design or type of goods or merchandise. Such protection is being afforded every day.

In my own office this moment I have a case from my State in which the Federal Trade Commission is looking into statements and declarations on the outside of a package which I think would lead reasonable people to believe that the package was intended to deceive the purchasing public into thinking it was getting another manufacturer's product under a name under which the original manufacturer has built up a business over a period of a good many years. Such action is taken in the case of individuals in business and as to manufactured products, and it is done without patent or copyright protection.

Here we have the case of butter, which involves the economic stability of 2,500,000 small farmers. Countless farm children have been educated on the butter and egg checks, or the cream and egg checks, which have come in weekly to the farms of the United States, when other sources of revenue have been missing. Two and a half million farmers in the United States who have gone into the business of producing butter, which, as I said a while ago, is age-old, and who continue it after spending many years building up acceptable, reliable, and productive dairy herds, are facing the competition of oleomargarine, if this bill becomes law, and if interstate shipments of colored oleo are to be permitted, and promoted by national advertising in great programs which the dairy industry cannot begin to approach. We see this great segment of 2,500,000 ordinary, hard-working, family-raising people, threatened with either the necessity of losing their investments or having to change their entire method of operating their diversified farms.

Mr. President, in the discussion of the pending legislation it has been taken for granted by many of us that the yellow oleomargarine threat is one that concerns butter, and butter alone. This, however, is a misconception. The passage of H. R. 2023 would hit not only at butter, but at every other important segment of the dairy industry. I can use by way of illustration a row of

dominoes. If the first domino is tipped they will all fall over. So in the case of the dairy industry. If H. R. 2023 is passed, it will touch not only butter, it will touch fluid milk, it will touch the evaporated milk industry, it will touch the dry milk industry, it will touch the ice cream and cheese industries. Those are great outlets of the dairy and cattle industry of the United States.

I have here with me, compiled for brevity, excerpts from the statements of six individuals, each of whom has a primary interest in one of the major products just named. These spokesmen were asked to appraise and evaluate what the effect would be in their particular end of the dairy industry if the bars were to be let down on yellow oleo. Their conclusions were presented last week at a joint meeting of dairy farmer groups and dairy industry representatives.

Speaking for evaporated milk was Walter Page of New York, treasurer and general manager of the Midland Cooperative Dairy Association. He pointed out that evaporated milk—like butter—is threatened by an imitation which, to the average consumer, is indistinguishable from the real product. This imitation is filled milk, in which vegetable oils are substituted for the natural butterfat. Filled milk made its first appearance about 1915 and its production grew by leaps and bounds for the simple reason that it could be produced at a cost of about 3 cents less per can than evaporated milk. It can be sold for less than evaporated milk and it nets a larger profit. Mr. Page said:

The fraud and deception which was involved in filled milk finally resulted in the enactment of the Federal Filled Milk Act which prohibits its shipment in interstate commerce. If it were not for the Filled Milk Act the imitation would be a very serious problem—just as yellow oleo will become a serious problem if its unrestricted shipment is allowed in interstate commerce.

Mr. President, I call the attention of this body to the fact that the purpose and effect of the Filled Milk Act is identical with that of the Gillette-Wiley substitute amendment to H. R. 2023—to prevent the movement in interstate commerce of a substitute dairy product. The Filled Milk Act permits the individual States to determine whether that product can be manufactured within its borders, and there are several States which do in fact permit it. The Gillette-Wiley amendment would give to the States the same right of decision with respect to yellow oleomargarine. The Filled Milk Act has been upheld by the United States Supreme Court. I submit that in this act we have the legal, economic, and moral precedent for the enactment of the Gillette-Wiley amendment.

Mr. Page, speaking in behalf of the evaporated milk industry, concludes:

In the evaporated milk industry we don't want to see the farmers injured by letting down the bars to imitation dairy products. One of the greatest markets for American-made industrial goods is the dairy farmers. Industrial workers would be better off to pay the oleo taxes—if they are necessary to protect against yellow oleo—and thereby keep the dairy farmer market prosperous for the purchase of industrial products.

DRY MILK CLOSELY LINKED WITH BUTTER

As for dry milk, we are all familiar with the fact that nonfat dry milk solids and butter are complementary dairy products. In the manufacture of butter from whole milk, the butterfat goes into the butter. The residue is available for drying, and the resultant product is an abundant source of the important elements which make milk the ideal food. It is obvious that any condition which would eventually reduce the volume of butter production would also affect the production of dry milk.

Gar Wagner, assistant manager of the McDonald Cooperative Dairy Co., of Flint, Mich., summarized the results as follows:

Butter and dry milk solids are complementary dairy products—the only important milk products with this characteristic. If butter prices drop, the skim portion of the milk must carry a larger share of the load, pricewise. Yellow oleo would cut the volume of factory separated milk used for butter, and likewise nonfat solids.

The only result would be higher prices for nonfat solids. The amount used in foods would be cut. Price has been the main reason why bakers and others have not used the recommended quantities of nonfat solids. Higher prices would defeat increased consumption; would cause reduction in use.

FILLED CHEESE IS ANOTHER THREAT

Cheese is another dairy product which will suffer if the oleomargarine interests are successful in having all restraints removed in the coloring of their product in imitation of butter. The position of the dairy farmers whose milk goes into cheese production was outlined by Milo K. Swanton, secretary of the Wisconsin Council of Agriculture, Madison. The chief threat to cheese producers, of course, is that once we undermine our food standards by permitting imitation products to masquerade without restrictions as genuine products, there will be open invitation for the manufacture of filled cheese—just as there will be for the manufacture of filled milk, filled ice cream, and yellow oleo. That is the vitally important point which was stressed by Mr. Swanton when he said:

The yellow oleo issue is a battle of substitutes that involves every one of us in the dairy industry. What happens to one branch of the dairy industry faces every other branch.

Cheese is directly concerned with what affects butter because in cheese manufacture there is a recovery of fat from whey, which goes into butter.

Indirectly we also are concerned because we think in terms of defending the inalienable right of consumers to depend—in their choice of foods—on the senses of sight, feel, taste, smell, and hearing. Each one of these senses is violated by yellow oleo.

Mr. President, I believe this last statement deserves emphasis. In the manufacture and merchandising of yellow oleomargarine its processors are seeking to hoodwink each one of the five senses by which we mortals are able to tell the true from the false, the genuine from the imitation. They are permitted to hydrogenate their oily substances to the consistency and the "feel" of butter. They are allowed to add butter flavor to simulate butter's taste and smell. They have infringed upon our hearing with beguiling phrases that suggest green

pastures and the gentle fragrance of the dairy—a far cry from the heavy stench of the oil-pressing plant. Finally, they are seeking to deceive our sense of sight by coloring their product yellow. And all to what purpose? Simply for the selfish purpose of usurping the table-spread market of America.

FLUID-MILK PRODUCERS WOULD FEEL
REPERCUSSIONS

Raymond Skinner, of Memphis, Tenn., representing the Milk Industry Foundation and speaking for the fluid-milk industry, summed it up this way:

We have less fault to find with a truly substitute product than with a camouflaged product, such as oleomargarine. Oleo relies upon dairy products for camouflage. Oleo made without the addition of milk products and butter flavor would be ordinary cooking fat. It couldn't be produced without the camouflage of dairy products.

Why is the fluid-milk group interested in the yellow oleo issue?

1. Because fluid milk is one member of the dairy-products family, and anything which injures one member of the family injures all.

2. Because we believe in preserving some semblance of competitive decency.

3. Because we believe in the rights of individual communities to determine what should be manufactured and sold in these communities.

4. Because as producers would be driven out of the dairy industry because of unfair oleo competition, fluid-milk prices would one day go so high that substitutes for other dairy products would have to take over.

Mr. President, in connection with substitutes for other dairy products, I will say that I have brought with me a little example of what is going to happen to us and what is happening to us. If the pending bill is passed and unlimited advertising and uncontrolled interstate shipments of oleo products become entrenched in this country, it will be found that every other field of dairy production will be subject to the ersatz treatment, and dairy products will suffer, either because of prohibitively high prices or because of the industry going out of business entirely.

I have here an imitation whipping cream synthetic put on the market as "whipped topping." It has to be kept under refrigeration. It is made by a corporation in Buffalo, N. Y. It is advertised as:

A delicious topping for desserts, salads, gelatins, and pastries.

The following statement appears on the carton:

The pure, frozen soy cream for whipping.

Mr. President, we see that there is deception right at the outset, namely, a "cream for whipping."

Of course, Mr. President, in the past cream for whipping has always been the product of the dairy cow.

This further statement appears on the carton:

Has all these advantages:

Whips to three times its bulk.

Whips simply and quickly.

Can be rewhipped and rewhipped.

Keeps indefinitely frozen—keeps for a week at normal refrigerator temperature.

Economical in cost.

Can be whipped to any desired stiffness.

Retains its flavor and appearance.

Here is the statement, printed on the carton, of what is in it, according to the label:

Water, hydrogenated soya oil, with added propylene glycol monostearate, soy protein, corn syrup, salt, artificial flavor, artificial color.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from Iowa yield to the Senator from Vermont?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. Is there anything on the package to indicate that "soy" is a bean? The Senator has not yet read anything from the label to indicate that the consumer is told that "soy" is a bean. The consumer might well think that soy is a breed of cow.

Mr. HICKENLOOPER. I may say to the Senator from Vermont that I am unable to find anything of that sort on the package. I am quite certain that there is no statement on the package that "soy" is a bean. The label says "soya oil" and "soy protein," but there is nothing on the label to show that it comes from soy beans, other than the word "soya" and the word "soy."

Mr. AIKEN. There is nothing on the label to indicate that "soy" is not a breed of cow, is there?

Mr. HICKENLOOPER. No.

But, Mr. President, one of the significant distortions about the advertising is the statement appearing on the bottom of the container:

Pure frozen soy cream.

At one place the words "soya oil" appear, and at another place the words "soy protein" appear.

Mr. AIKEN. That is why I asked the question, because there are millions of consumers who would not know that "soy cream" was not simply a variation from Jersey cream or Guernsey cream.

Mr. HICKENLOOPER. That could be.

Mr. AIKEN. It is, I think, a fact.

Mr. HICKENLOOPER. But I think perhaps one of the glaring deceptions contained in the statements appearing on the carton is:

The pure frozen soy cream for whipping.

In other words, whipping cream. Those who market this article are trying to make the public believe they are putting out a whipping cream. But it is a synthetic product completely, starting with a water base, and then filled with various oils and chemical products and proteins.

Mr. President, the reason for this illustration I think is manifest, namely, that here is another product which now is actually being produced and put on the market, in an attempt to take away another great field for the sale of dairy products. It is not inconceivable that with great advertising programs and the attractive appeal which can be made to the eye and the attractive representations which can be made by the wording of the labels, the producers of such products, who make these very ingenious presentations can, with substitutes such as this "whipping cream," invade the

market with great rapidity. Then, as in the case of the first of a row of dominoes, where the first domino which falls over will, in turn, cause the falling over of all the other dominoes in the row, so it will be not alone a question of butter whose market will be destroyed, and the reliability of whose market will be destroyed, but of the destruction of the markets of the succeeding dominoes, so to speak, representing the milk, the butter, and the cheese business.

I do not know when the production of synthetic cheese will begin. Perhaps it has begun. If so, I do not know it. But I did not know until a few days ago that synthetic whipping cream is now being produced to invade this market. Senators will find that the profit motive of a few concentrated corporations to invade and obtain this market for their various and diversified products will know no bounds and will be without conscience. They will steal the market of two and one-half million dairy product producers in the United States, and with little thought or care as to the economic well-being or prosperity of the great, evenly spread dairy segment of our farm economy in the United States, just so a few corporations in the United States may make a little more profit return in their business.

Mr. President, these statements are no idle threats. If we sabotage the butter industry, we undermine the entire dairy industry. The effect will not be felt tomorrow. It will be at least a matter of months; perhaps years. But so surely as we cripple one important segment of dairying, the paralysis will creep through the entire industry. More and more dairymen will go out of business or reduce their herds. They will have no alternative. And in the end, American consumers will have lost their present abundant source of dairy products and meat products—the products upon which we have built a dietary standard that is largely responsible for our present strength.

THE ISSUES INVOLVED, FROM THE BUTTER
VIEWPOINT

Speaking in behalf of butter, N. R. Baker, vice president of the Fairmont Foods Co., Columbus, Ohio, stated:

In the butter-oleo controversy at least five important issues are involved: The moral issue; the economic issue; the political issue; the human element; and the issue of fraud and deception.

The moral issue is one of common right or wrong. It is certainly not in keeping with the American spirit of fair play to allow an imitation product to supplant a genuine by means of dubious practice. Yellow oleo in imitation of butter is simply the first of a long line of ersatz products that might similarly seek to supplant their natural counterparts.

In keeping with that statement by Mr. Baker, I again point out the ersatz product of "whip topping" I have just shown to the Senate.

I continue to quote from the statement by Mr. Baker:

Under the economic issue there is the contrast between the soil-improving effect of dairy husbandry and the soil depletion connected with the growing of oil-bearing crops. There is the cost involved in the resulting

surpluses of dairy products, and the cost in displacing a large segment of agriculture that would be displaced by a reduction in dairy production.

The political issue is one of States' rights, and the privilege that the States alone should have in deciding such questions as whether yellow oleo should be permitted within State borders. The human element—a very important factor—is involved in the interests of several million farm families as contrasted with the interests of a few hundred families concerned with the manufacture of oleo.

The fraud and deception issue is of course fundamental. It is simply a proposition of the devious ways and means in which yellow oleo will be palmed off as butter, if its unrestricted manufacture and sale is allowed.

ICE CREAM LIKEWISE THREATENED

Aside from butter, evaporated milk, and cheese, ice cream is another dairy product that is in line for wholesale substitution, once the pattern is set and approved for yellow oleo. Ice cream is particularly susceptible of imitation, and filled ice cream will be the rule rather than the exception if the parade of imitation dairy products is allowed to get started. Robert Hibben, executive secretary of the International Association of Ice Cream Manufacturers, makes this brief and pointed comment:

"Dairy products may be likened to a row of dominoes, standing on end. If one of them is tipped over, the whole row will fall down. If butter is hurt by letting down the bars on yellow oleo, every other dairy product will feel a direct injurious effect.

Mr. President, I have presented very briefly the statements of representatives of each of the important segments of dairying—evaporated milk, dry milk, cheese, fluid milk, butter, and ice cream. These statements verify what we all should know and heed—that the oleomargarine issue is not merely a controversy on butter and yellow oleo. It is an issue which involves every dairy product and every dairy farmer, and, in the end, every consumer of dairy products and meat products in America.

As I said at the outset, Mr. President, the question of taxes on oleomargarine is eliminated in this debate because, under both approaches—under House bill 2023 as it now confronts us and under the Gillette-Wiley substitute—the taxes on oleomargarine are completely eliminated. The question then resolves itself down to the point not of eliminating yellow oleomargarine necessarily from the American market but reserving to each State itself the right to say whether the manufacture and sale of colored oleomargarine shall be permitted within its borders. If a State says it may be, then, under its sovereignty and under its sovereign right, it can permit the manufacture and sale of yellow oleo. Under the Gillette-Wiley amendment, the interstate shipment of yellow oleo is forbidden, but under the amendment the question of whether they want to permit yellow oleo is left to the States. Under the Wiley amendment, however, great oleo concentration plants cannot be set up in one part of the United States and their product be shipped in interstate commerce as colored oleomargarine. It could still be shipped under its natural color, in any event, and under either bill.

So there is no proposal here to deny to the States of the Union the right to have colored oleomargarine sold, but it is proposed to preserve to the States the right to say whether it shall be manufactured and sold within their borders. In each bill the taxes are eliminated and are out of the question. But the philosophy underlying the whole program on the part of the oleo interests is that of imitation, amounting to business banditry, if you please, Mr. President, of the color of one of the greatest dietary products the human race has ever developed, namely, butter, natural butter from the dairy cows of America. If this bill passes, the movement will spread abroad, and pretty soon we shall find the American cow supplanted by the oil press and, yes, coconut oil will be coming here, and will push the cottonseed oil boys back on their haunches just as quickly as production in the coconut oil field in other parts of the world can be more highly developed. We need have no fear, Mr. President, but that Lever Bros.—so friendly now—and the other great oil-producing interests and cartels of the world will have no hesitancy in flooding the United States with coconut oil and palm oil, when their production is up to a competitive basis. In their business ruthlessness, they will disregard the interests of the cottonseed producers in this country, they will disregard the interests of the soybean producers in this country when and as coconut oil and palm oil produced in other parts of the world become sufficiently plentiful to push our locally produced oils off their synthetic markets. Although they are great pals today in this common interest, they will have no sympathy then, with those who are attempting to force an unlimited and uncontrolled sale of yellow oleo on the American public. They are great friends today. They are great buddies, but the minute the coconut oil in drums begins to roll in from the South Pacific and other places, the minute palm oil production reaches the point where its volume will warrant their doing it, they will just as ruthlessly drive the cottonseed and soybean oil producers into outer darkness, as today, with their world-wide set-up and their concentration of manufacturing plants they are trying to drive the butter industry and, therefore, the dairy industry of this country to the wall.

It is impossible to stop a dairy cow by turning off the spigot, Mr. President. It takes years to develop a dairy herd; it takes great expense to develop a dairy herd, and it takes a high degree of training and knowledge to operate successfully a dairy business, great or small. Dairy cows cannot be turned into something else if business gets a little bad—unless they are turned into the slaughterhouse. Dairymen do not have the versatility the great manufacturers have of stopping production in one line if it is uneconomic and turning their resources into another field. The dairymen cannot do that. Dairying, like farming itself, is a long-range, skilled, and financially hazardous occupation. We are today threatening the very existence of a business and an industry that furnishes a food product to the American people

at a reasonable cost; we are today facing the undermining of that entire business. If we permit substitution to go on uncontrolled, we shall be doing a disservice to the American economy not only in a dietary way but in a financial way that may plague us for many, many years to come.

DEATH OF WILLIE SIX

Mr. CAIN. Mr. President, though I expect to speak briefly on the pending question, I should like first to address myself to a personal matter. It was my good fortune some years ago to have been a student at the University of the South, which is situated on a high plateau in the Cumberland Mountains between Chattanooga and Nashville. The university had commonly been known as Sewanee through the decades since the War Between the States because it is located adjacent to the tiny village of Sewanee, Tenn.

Sewanee, Mr. President, is a small liberal arts university for men; it remains as one of the few such institutions in the Nation. The university's prime hope is to help her sons secure and earn for themselves an ability to think, to master any subject with reasonable facility, and to live broadly and happily in the years beyond graduation. The sons of Sewanee remain grateful for the encouragement and stimulus to curiosity provided by their university.

Not all the sons of Sewanee have been undergraduates, and some of them have never qualified for a degree. But among these, Mr. President, are to be found those whom the university and all her graduates hold in the highest possible regard, respect, and affection. One such son of Sewanee passed away yesterday, after a life of Christian usefulness, and the junior Senator from Washington has risen to express his personal feeling of loss and to extend his sympathy to the family of a man by the name of Willie Six.

From the New York Times of this morning I wish to read an obituary about a good and God-fearing Christian:

NEGRO FOOTBALL AIDE MOURNED AT SEWANEE

SEWANEE, TENN., January 12.—A Sewanee tradition passed today with the death of Willie Six, a bent and kindly old Negro who eased the aching muscles of Sewanee football players for 36 years.

Six was football trainer and confidant of his "white folks" on University of the South teams from 1909 until his retirement in 1947. The 63-year-old trainer, whose real name was Sims, died at his home after an illness of several months.

His love for the university and for his "boys" endeared him to thousands who attended Sewanee. At his retirement the tradition-steeped university observed "Willie Six Day" during homecoming festivities. More than 3,000 of his boys of years ago attended.

Among those present were six Protestant Episcopal bishops, five Army generals, a United States Senator, two members of the Tennessee Supreme Court, two college presidents, an air line's president, and a National Broadcasting network president.

They presented to him a purse of more than \$2,500. A plaque also was presented, along with a leather-bound scrapbook with all his newspaper clippings and more than 100 congratulatory messages.

Willie often boasted that in all his years as trainer he had never seen his team scored

upon. "I always turned my head," he explained.

When Willie was asked at his retirement to pick the greatest Sewanee team of all, he replied with an answer he had used for 36 years: "It's the one a'comin' up."

Mr. President, when I heard of the passing of this good friend I expressed my own feelings in a telegram to one of the authorities at Sewanee, and, for the benefit of Willie Six's family, and because of my respect for him and because, in my official capacity as a Senator from one of the 48 States of the Union, I wish to acknowledge the passing of this real American, I should like to read the telegram into the RECORD:

JANUARY 12, 1950.

MR. ARTHUR CHITTY,
*University of the South,
Sewanee, Tenn.*

My distress over the passing of Willie Six is keen and deeply sincere. Because of what I knew him to be I have always considered him to be among the foremost Americans I have ever known. His virtues of humility, integrity, decency, and reliability were unexcelled by anyone else. I consider his comment "The best team Sewanee ever had was the team that is a coming up" to be among the priceless gems of wisdom ever uttered. Generations of Sewanee men are better men because Willie Six was their tutor in the ways of life. I am privileged to have counted myself as being a friend of his.

HARRY P. CAIN,
United States Senator.

Good people, Mr. President, never die. I think both of us are in agreement on that fact. Willie Six has gone to join friends up above, where he will obviously live forever.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. CAIN. Mr. President, I should like rather briefly to address myself to the pending question.

For several days the butter-oleo question has been ably debated on the floor of the Senate. The Senator from Arkansas [Mr. FULBRIGHT] presented the arguments of the oleomargarine manufacturers. Answering him have been some of the most distinguished Members of this body. The RECORD of the past several days is replete with arguments, statistics, facts, figures, and phantasies—all bearing on butter and oleo.

But as I read the speeches and debates, I note a striking omission from the record. Seldom, if ever, during the debate has any Senator spoken on behalf of the consumer or attempted to present his wishes and opinions in this matter. One might almost say that the battle lines are drawn between a few great manufacturing corporations on the one side and a large group of farmers on the other. Both are fighting for the same thing—the market represented by the 38,000,000 families in the United States who daily use in their kitchen and put on their table some sort of nutritious spread. Yet up to this point there has been little reference to what these consumers themselves say about the problem now under discussion.

For the last 14 months polls and surveys of public opinion have not occupied

the high place they once held in our country. No one of us, I am sure, any longer considers opinion polls to be a precise measure of public thinking. Few of us would take issue, however, with the broad results of an opinion poll, properly made by experienced, objective specialists in that field.

Within the last few days I have had an opportunity to study just such a survey. It was made by the firm of Benson & Benson, Inc., of Princeton, N. J. That firm is recognized as one of the leaders in the complicated art of determining public thinking. I am interested and surprised by some of the opinions which this survey has revealed to exist in the public mind. If the results of this survey correctly indicate the temper of the public—and I have no reason to doubt that they do so—many of us have been tilting at a windmill during these debates. Recent discussion here has been along one line. The public's thinking is along another line. It is timely that we take into account in our deliberations where the public stands on this question.

Let us take up, first of all, the basic question of how important yellow oleomargarine is to consumers. Bear in mind that I am not discussing how important yellow oleomargarine is to the producers of that commodity. I am talking about how the consumers feel. There is a great deal of difference.

A broad cross section of consumers in all parts of the country were asked this question and I quote directly from the survey:

How much difference (aside from price) does it make to you whether or not you can buy oleomargarine colored yellow—a great deal, a fair amount, only a little, or no difference?

Here are the answers to that question: 58 percent of the people, almost 3 people out of every 5, said it made no difference to them whatsoever. Another 11 percent said it made only a little difference. That means that to almost 7 out of 10 consumers it makes little or no difference whether oleomargarine is colored yellow. There are some, to be sure, who think that the availability of yellow oleo is a matter of major importance. Twenty percent of the people replied that it made a great deal of difference to them, while another 11 percent said it made a fair amount of difference.

We could give or take a few percentage points either way. The fact remains that by a majority of more than 2 to 1 the consumers of this country are on record as saying it makes little or no difference to them whether they can buy oleomargarine colored yellow. It is very interesting to note in this connection that the housewives see almost eye to eye with the men of the family. Broken down between men and women the survey shows little difference in opinion.

I should like to pose this question to my colleagues: Do these facts testify to a mandate from the people for yellow oleo?

We are all trying to obtain an adequate answer to that question.

I say they do not, that the call for yellow oleo comes almost entirely from the manufacturers of that product. The Senator from Arkansas has stated that the sole purpose of the margarine in-

terests was to sell more margarine. To bring that about they have intelligently and relentlessly propagandized the assumption that consumers clamor for yellow oleo. The facts of the matter now arise to confound them and to expose the propaganda as a myth.

Before I leave this one phase of the opinion survey, I want to point out another very significant finding. A similar survey was taken in May 1948 by the same organization. The results were incorporated into the testimony before the House committee considering the oleo question. At that time the survey reported that to 62 percent of the people it made little or no difference whether they could buy yellow oleo. During the year and a half that has elapsed since that first survey was taken, the oleomargarine mimeograph and countercharge machines have been grinding away furiously at a great clip. However, the current survey, which was taken in November and December of last year, showed a marked increase in the percentage of people to whom yellow oleomargarine made little or no difference. Eighteen months ago the figure was 62 percent. Sixty-two out of every 100 did not care one way or another. Today, after all the to-be-expected oleomargarine interests' denials, the figure of those who do not care one way or another whether oleomargarine is colored yellow has risen to 69 percent. If there is a mandate to be read from these figures it is, from my own point of view, along these lines: We the people are not much interested in yellow oleomargarine.

However, it is legislation we are debating, not consumer opinion. The survey from which I have quoted went to the heart of the matter, and asked the people this question, which I think is a fair one:

At present there is a Federal tax of one-fourth cent a pound on white oleomargarine and 10 cents a pound on yellow oleomargarine, as well as certain retailers' license fees. A law has been suggested which would do these two things:

1. Remove the present taxes and license fees on oleomargarine, and permit the sale of white oleomargarine which could be colored at home or anywhere else.

2. Forbid the shipment of yellow oleomargarine from one State to another and let each State decide whether or not yellow oleomargarine should be made and sold within the State.

Would you approve or disapprove of a law which would do both of those things?

It will immediately be apparent that this question describes the Gillette-Wiley substitute amendment to the oleo bill. The question is not couched in legal language, and it does not go into all the details, but it is, I believe, a fair and unbiased statement of the basic elements of the Gillette-Wiley substitute amendment. Now, let us see the public reaction. Perhaps it will be a guide to us in our continuing consideration of this question.

First of all, the survey results show that 26 percent of the people have no opinion on the proposed legislation as stated, or no opinion of any kind on any subject having to do with butter and oleomargarine. These people are in a different category from those who on pre-election polls say they have not yet

made up their minds. These are people who simply have no opinion. They are just not interested in the question.

But what of the other people? Fifty-two percent of all consumers would approve such a law, while only 22 percent would disapprove, or a margin of 30 percent. These figures mean that of the people who have an opinion on the pending legislation and who think of it and are interested in it, 7 out of 10 favor the enactment of the Wiley-Gillette amendment. It is pertinent again to take a look at how the housewives voted on this issue as compared with the men. After all, housewives are the Nation's buyers, especially of food products. Let us look at the record and see what the ladies have to say.

Curiously enough, more women than men approve the legislation described which is, as I have said, virtually the Gillette-Wiley substitute amendment. Fifty-three percent of the women approve the proposed legislation as against only 50 percent of the men. Eighteen percent of the women disapprove, as against 26 percent of the men. Twenty-nine percent of all women have no opinion. That is a curious situation, whether the question is oleomargarine or anything else. Twenty-nine percent of all women have no opinion, while 24 percent of the men have no opinion and no interest. The ladies, it seems, are even less impressed by oleo propaganda than are the men. Perhaps they have seen and heard so much of it up to this time that its lack of justifiable substance has become all too clear.

The oleomargarine interests are obviously, and I think properly, afraid of the Gillette-Wiley substitute amendment. The Senator from Arkansas in his eloquent speech before the Senate on January 4 tried to discredit the amendment by ridicule, I think, by laughing at it a little bit. Adroitly the basic problem of States' rights was avoided by the Senator from Arkansas, or obscured in a smoke screen of time-worn propaganda arguments.

It would be a very rash man who would undertake to say why it is that American men and women so obviously approve the basic provisions of the Gillette-Wiley amendment. Yet it seems to me that in our deliberations we need to know and, in fact, ought to know, the underlying reasons for the public's opinion of this proposed amendment.

Fortunately, in taking the poll, Benson & Benson asked the people why it was that they felt as they did.

Mr. FULBRIGHT. Mr. President, will the Senator from Washington yield?

Mr. CAIN. The Senator from Washington would like to suggest that he has perhaps 5 or 6 minutes more of his address, and would prefer to answer all questions at the conclusion; but if it is important to the Senator from Arkansas, the answer is yes, I yield.

Mr. FULBRIGHT. The Senator is putting so much faith in polls, and because he has just now been discussing polls, I wondered if he had heard about a poll recently taken in Ohio, which was a real poll, in which the people voted

on the issue of oleomargarine, and in which they eliminated the prohibition on yellow margarine by half a million votes. Had he heard of that poll?

Mr. CAIN. As the Senator from Arkansas knows, the junior Senator from Washington has but recently returned to the Senate, and quite naturally all his time has been occupied with a study of the poll to which he is referring. I shall at the first opportunity look up and analyze the vote to which the Senator from Arkansas has just alluded.

Mr. FULBRIGHT. I referred to an election. It was not a poll by Benson & Benson, or by the dairy people, at all. It was a legal, bona fide election in the State of Ohio, just last November. I thought that if the Senator was interested in polls, the result of that election gave a good indication of what the people really thought.

Mr. WILEY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I should merely like to respond to the Senator from Arkansas that people think differently in different States. I am not quite certain or satisfied as to what the people in the State of Ohio are thinking about this question, but regardless of how they may think, people in other areas of the country hold the views I am expressing.

Mr. FULBRIGHT. The Senator knows that Ohio is a great dairy and agricultural State.

Mr. CAIN. I do, indeed.

Mr. FULBRIGHT. It is significant that under such conditions as exist in Ohio, the majority in favor of the repeal of the oleo legislation was so great as it was. In that poll about 2,500,000 people participated. It was not a little sample ballot, in which the poll taker picks out the people he knows are favorable to what he is advocating. The poll was of everybody in Ohio.

Mr. CAIN. Is the Senator from Arkansas suggesting that all the clients of Benson & Benson, and other such fact-finding bodies, should immediately discontinue such activities because the producers of facts seek information only from their friends?

Mr. FULBRIGHT. I might remind the Senator of the divergence in the result of the Gallup poll and other polls about the national election in 1948. There was a similar situation. The actual poll, which was the election, showed quite a different result from that of the hired polls, similar to those taken by Benson & Benson. I assume that Benson & Benson, whoever they are—I do not know who is meant—were employed by Mr. Holman and his group to take the poll, and I expect they were given to understand that they were to get right results.

Mr. CAIN. As a Member of the Senate on this side of the aisle, I can with greater force than can the Senator from Arkansas agree that in the election to which he refers there was quite a difference between the results of preelection polls and the results of the election itself. But I think that developing from that experience there has been a far greater degree of accuracy on the part

of such fact-finding bodies as Benson & Benson. It is interesting to note that a very great number of the more stable, successful and progressive business companies lean heavily on such results as are developed by Benson & Benson, and others in their field.

Mr. FULBRIGHT. I think the Senator will admit that the poll which really cannot be contested for its accuracy is the kind of poll taken in Ohio in the election. That is much more reliable, it seems to me.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. I should be pleased to yield to the Senator from Minnesota.

Mr. THYE. My only reason for interrupting the Senator at the moment is that I desire to bring to the attention of my colleagues the fact that only about 20 to 25 percent of the population of this Nation engages in agriculture. For that reason, unfortunately, we who speak in behalf of the Gillette-Wiley substitute measure are strictly a minority, insofar as the people of the entire country are concerned, but we are speaking for those who are engaged in diversified agriculture, which basically is the foundation of good soil-conservation practices. While, unfortunately, we are in the minority, we must voice our opposition to legislation which would permit a synthetic, camouflaged product to come onto the market, thereby destroying entirely the outlet for butter, a commodity the producers of which unfortunately happen to be in the minority.

I would say that the danger of destroying our agricultural economy by permitting this camouflage or substitute, so to speak, for butter to come onto the market and thereby destroy the agricultural economy of this Nation is not lessened by the fact that the voters in a State-wide election voted to permit colored oleomargarine to be sold without any restriction. If we lose the butter market the Midwest, where diversified agriculture is practiced, will have to change from dairying to some other type of agriculture. As I stated before, we certainly are going to aggravate the problems we now have with respect to surpluses with excess cotton acreages as well as excess corn acreages if we destroy an outlet, and a profitable outlet, for dairy products.

Mr. CAIN. The debate will obviously be benefited by reason of the observation just made by the able Senator from Minnesota.

Mr. WILEY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I shall be glad to yield to the Senator from Wisconsin for a comment on what the Senator from Minnesota has just said, if that is his wish.

Mr. WILEY. I wish to comment on the election in Ohio. Of the 48 counties 24 voted for the free use of color. Twenty-four counties voted against it. It is true that the proposal was carried in the State by 500,000 votes. It is also true that the Oleo Trust proceeded on the same basis of misrepresentation it has always used, and threw in everything it had in the bag, on the theory that if

oleo could be colored the people would obtain cheaper oleo. The Oleo Trust persuaded what it calls the consumer class in the cities that that would be the fact.

The Senator well knows that it has been demonstrated, and it is demonstrated daily, that if the Oleo Trust takes over the so-called spread market, instead of getting a cheaper spread the consumers will pay much more for it. What is more, I have statistics showing that where yellow margarine can be bought and there should be a differential of only 9¾ cents a pound, the differential ranges from 10 to 30 cents a pound. That shows what will happen to the "dear consumer," who voted in Ohio 500,000 strong for oleo, due to the persuasive methods of the Oleo Trust, if similar action is taken elsewhere.

Mr. CAIN. I thank the Senator from Wisconsin.

Mr. FULBRIGHT. Mr. President, I wish to say that the Senator's observation simply comes to this—that the people of Ohio have been fooled, and apparently the implication of the Senator's remarks is that the only ones who know the facts about this subject, as to the effect of margarine on agriculture, and as to the question of whether or not the price of oleomargarine will be higher or not, if the pending bill is passed, are himself and his colleagues in the Senate. Apparently only they know the truth about that. It is a challenge to the judgment of the people of Ohio. That is what it comes down to.

The people of that State have had an opportunity to study this matter for many years—just as the Members of the Senate have and just as the Members of the House of Representatives have. On two occasions within the past 3 years the House of Representatives has voted on this very issue with a margin of 3 to 1 against the position of the Senator from Wisconsin. So apparently the only places where any persons understand anything about this are Wisconsin and, perhaps, the States of Washington and Minnesota. No one else seems to know the true situation. The implication is that the statistics which have been quoted are entirely false. There is no trust. There is nothing to support the idea that there will be an increase in the price of oleomargarine if the pending bill is passed. Knowledge of the subject, however, seems to be confined to persons living in two or three States. Everyone else seems to be ignorant on the whole question.

Mr. CAIN. The Senator from Arkansas must readily agree that Washington, Wisconsin, and Minnesota are extremely important areas to the maintenance of a stable and healthy economy in the United States. What the junior Senator from Washington seeks to do in a few minutes this afternoon is to present a point of view which is subscribed to very generously within the confines of the State of Washington, and subscribed to likewise, I think, by a good many ordinary American citizens, including housewives, throughout the country.

Mr. FULBRIGHT. Mr. President, will the Senator again yield?

Mr. CAIN. I yield.

Mr. FULBRIGHT. I agree entirely with that. If the subject is presented on the basis that what is involved is important to the economy of Washington, of Minnesota, or Iowa, I do not question that. I think it is important. That is a sound ground on which to base the argument the Senator is making.

Mr. CAIN. That is the foundation on which we have advanced this particular case.

Mr. FULBRIGHT. I agree that that is the Senator's base. The only question is: Is the interest of four or five States to outweigh the interests of all the remainder of the States and 145,000,000 people?

Mr. CAIN. From the point of view of the States to which I have made reference it is certainly our opinion that it is good for a majority interest of the country to support the Wiley-Gillette amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. WHERRY. Is it not a fact that if any State decides and chooses, by vote or by any other constitutional process of the State, that it wants oleomargarine to be manufactured in that State, it can do so under the provisions of the substitute?

Mr. CAIN. The Senator brings up a very interesting but delicate question. I know how the Senator from Arkansas thinks on the subject of States' rights. There appears to be a contradiction between his present stand and the sentiment of the area from which he comes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield.

Mr. WHERRY. Whether Benson & Benson took the poll, or whether the voters of Ohio took the poll, or however a poll was taken, it seems to me the result of the poll is the most convincing evidence in favor of the amendment that can be offered. The people of Ohio took a stand on the question. Under the provisions of the substitute amendment the people of every State in the Nation can do what the people of the State of Ohio did, if they choose to do so.

Mr. CAIN. I think the Senator from Nebraska will agree that we should not press an obvious point. However, it does still seem to me a little strange that the Senator from Arkansas and his colleagues have gotten some distance removed from the basis of States' rights, which is to let a State have an opportunity to vote on various subjects as it pleases.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. CAIN. Certainly.

Mr. WHERRY. I know the Senator from Washington is intensely interested in housing and in the subject of rent control. One of the important pieces of legislation which was passed recently was the return of the power of imposition of rent control to the States. I am strongly in favor of permitting the local governments to handle such matters. I think one of the finest things that ever happened was the return of the centralized authority over rents to the

States. I believe such action should be taken wherever possible.

Mr. CAIN. Is the Senator from Nebraska aware of the magnificent fact that since the amendment offered to the Rent and Housing Act of 1949 by the distinguished Senator from Arkansas was approved and became the law of the land seven sovereign States have said, "We know better how to regulate and control or discontinue rent control than does the Federal Government," and they have in consequence seen fit to decontrol.

Mr. WHERRY. That amendment to the law was the so-called Fulbright amendment; was it not?

Mr. CAIN. As indeed it should have been called, because the substance and the idea came from his fertile brain.

Mr. WHERRY. I happened to be one who supported that amendment. I thought the amendment was very constructive. I was glad it was adopted.

Mr. CAIN. The Senate approved it overwhelmingly.

Mr. WHERRY. That is correct. I think Congress by taking that action rendered a great service to the people of the United States of America. I certainly want to compliment the Senator from Arkansas for submitting the amendment, and debating it, and supporting it upon the floor of the United States Senate.

I submit that the same principle is involved in the present discussion. In view of the fact that the great State of Ohio took a vote on the subject of margarine, it seems to me that every other State could take similar action, under the provisions of the substitute, and that could be the final solution. Such action would seem to be absolutely parallel to the action advocated by the Senator from Arkansas when handling the bill relating to rent control during the last session of the Congress.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CAIN. If the Senator wishes to respond to the Senator from Nebraska rather briefly, I certainly shall yield to him.

Mr. FULBRIGHT. Mr. President, I desire to respond briefly to the Senator from Nebraska. First, I want to thank the Senator from Washington and the Senator from Wisconsin for the undeserved compliment they have paid me, because I had very little to do with the matter. Both Senators did as much as I did.

I merely wish to say that, the eminent Senator from Nebraska, busy as he is with his duties as minority leader, has, in my opinion, not had time to analyze the effect of the Wiley amendment, because that amendment by Federal law would provide that a State which is perfectly willing to have, by its own laws, yellow margarine, but does not have a plant, may not import yellow margarine. In other words, the amendment would provide, by Federal law, "No, you cannot buy yellow margarine, you cannot ship it in, even though your State laws say it is perfectly proper to do so." Thirty-two States, two-thirds of the States, have no prohibition, no restriction on yellow margarine, yet by the Wiley amendment

It is proposed to deny half of those States the right to import this perfectly good product into those States. The Senator's amendment would say, "No, you cannot do that. If you want yellow margarine you have got to build your own plant," which is the antithesis of States' rights.

As to the foolish argument that the bill reported by the committee in any way restricts the State's product, it is absolutely not so. The Wiley amendment would prevent interstate commerce into those States which want the product. In no way does the bill try to direct or supersede the State laws on the subject.

Mr. WHERRY. Mr. President, will the Senator yield for one more observation? Mr. CAIN. I yield.

Mr. WHERRY. If the States so vote, they can manufacture oleomargarine within their own borders. That is the point I am making. If they want it that badly, they certainly can do it.

Mr. CAIN. I think the Senator from Nebraska has made his point most ably.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. WILEY. I was very much interested in the comment made by my good friend on the other side of the aisle. He ignores one great fact, namely, that in two cases the Supreme Court of the United States has said that it was not only proper but legal and constitutional to stop the importation of filled milk. The only difference between filled milk and oleomargarine is there is more foreign matter in the milk, which makes it more solid.

The reason for that—the Senator has not argued, and will refuse to argue, this point—is that in his own State, where the law prohibits the serving of oleomargarine in restaurants unless there is a sign showing that oleomargarine is served there, the poll shows—and the Senator ignores this fact—that 69 out of 100 restaurants were violating the law, in his own State—meaning that the poor consumer, thinking he was getting butter, was being fed greasy oleomargarine.

Of course, Mr. President, the whole thing is based on the right of the public to have the Fair Deal.

When the Senator says that only Wisconsin and Minnesota, and perhaps a few other States, are interested in this problem—

Mr. CAIN. Mr. President, will the Senator from Wisconsin permit me to interrupt at this point, to observe that in my opinion the Senator from Arkansas referred to only three States, namely, Wisconsin, Minnesota, and Washington, because it happened that only the Senators representing those States were at the moment engaged in this discussion—which is not to say that perhaps 25 more Senators, had they been on the floor, might have caused the Senator from Arkansas to refer in the same terms to all the other States. I think he will take most of us in, as the vote will disclose on Tuesday.

Mr. WILEY. The point I wanted to make was that in his very fine and gentle manner of approaching a problem the Senator puts words into the mouths of

other Senators and leads to the conclusion, if one is not careful, that those words may properly be attributed to those Senators.

Mr. President, our arguments have been very well put. We know there is a very large oleomargarine industry; we know that in Europe the same group controls approximately from 50 to 60 percent of all the oleomargarine manufactured outside the United States of America. We know that that group has come into America. We know that five or six of the plants control about 60 percent of the oleomargarine manufactured and sold in this country. We know that at the present moment, in States where they have the right—under State law, mind you; it is a State-law proposition—to sell white or yellow oleomargarine they are using cartel methods. In California they are following the cartel method of selling, at one point in the State, 1 pound of oleo for 15 cents and giving the right to get another pound free, whereas at another point in the same State they are selling oleomargarine at 60 cents a pound.

I wish to say that we are representing directly 2,500,000 dairy farmers, not in 1 State but in 48 States. Opposed to us is the Oleomargarine Trust. Let us call a spade a spade. We know the methods of the Oleomargarine Trust. We know how they take over territory and fix prices and "take the poor consumer for a ride."

When it is said that we are selfishly engaged in protecting the rights of the dairy farmer, we plead guilty to the charge that not only are we here protecting the rights of the dairy farmer but we are protecting the rights of all the people of the 48 States. It is a question of looking after the public welfare.

If and when the law as they want it to be changed becomes the law of the United States, Senators or Representatives who vote for it will rue the day they did so. But that change will not come about in a month or 6 months or a year. However, when Senators see a creeping paralysis spread over the great heart of the Nation, the Middle West; when Senators see what occurs there, not only on the farms but in the villages—and, after all, the farmer is the best market for the laboring man's products—when Senators see that the laboring man cannot buy, and various other things occur, then, I suppose, some other excuse will be given. Perhaps some persons will say it is the fault of the Eightieth Congress. But we will say it is the Eighty-first Congress that has stuck the dagger in the back, not only of the farmer but of all the people of the United States.

Mr. CAIN. Mr. President, the Senator from Wisconsin is a very sturdy proponent of the substitute to which I have addressed myself favorably this afternoon. I can fully appreciate why the Senator from Wisconsin thinks it proper to answer so spontaneously some of the arguments which have been presented by the Senator from Arkansas because the Senator from Arkansas is a very able man. I consider him to be one of the very best informed Members of this body.

So I was surprised, during the course of the present debate, to have the Senator from Arkansas say, if I understood him correctly, that he was not familiar with the firm of Benson & Benson, Inc., from whose poll or survey I have been quoting.

I should like to say to the Senator from Arkansas that Benson & Benson, Inc., was organized in 1938 by Lawrence and Edward Benson. Both those men were formerly associated with the Gallup poll organization, beginning in 1933, and they still do a great deal of the Gallup work. Some of their current clients happen to be W. R. Grace & Co., the Parker Pen Co., the Columbia Broadcasting System, the Buffalo Evening News, the Aircraft Industries Association, the Association of Reserve City Bankers, the National Tuberculosis Association, and the National Foundation for Infantile Paralysis.

As the Senator from Arkansas so very well knows, in the somewhat recent past four polls were taken by Gallup on the oleomargarine question; at least, the results of those polls, which said rather conclusively that a great many American people wanted to rid themselves of the tax on oleomargarine, were referred to by the proponents of the Senator's present-day position. Those polls were taken on March 14, 1948, June 9, 1948, March 5, 1949, and May 14, 1949. I mention them only for the reason that, although the Senator from Arkansas presumably has not previously heard of Benson & Benson, Inc., he has—and very favorably—heard of Gallup. The work which went into the four polls to which I have referred was done by Benson & Benson for the benefit of Mr. Gallup, for whom the Senator from Arkansas has such a very high degree of admiration.

The only difference between the Benson & Benson, Inc., poll which I am using now and the four Gallup polls to which I have referred is that the Benson & Benson poll was designed to clarify the earlier polls with the tax issue left out.

Mr. President, a few minutes ago I raised the question of why people generally, as a result of this survey by Benson & Benson, appear to be in support of the Gillette-Wiley substitute amendment. I should like to give what appear to be their reasons.

Removal of the tax on oleo was one important reason. Next in importance was the public sentiment that the question is a matter of States' rights which each State should decide for itself. A substantial group said the law would eliminate the danger of fraud and misrepresentation. The Senator from Wisconsin has just referred to fraud or misrepresentation as they have seemingly been practiced within the State of Arkansas in connection with the oleomargarine question.

Let us take up these reasons one by one; to do so will not take long.

First, the matter of taxes on oleo: Both butter people and oleo people agree that the taxes and fees on oleo should be removed. Oleo propaganda would have us believe that the only reason the butter people feel this way is that they have no recourse—that it is a last-ditch attempt on their part to win public support for their basic position.

The record shows that is not an accurate charge. Competent legal testimony, which has never been contradicted, was presented by dairy representatives to committees of both the House and Senate. This testimony indicated that the use of the Government's taxing power was invoked by the Congress in the first place only because that was the only way to secure Federal control and enforcement.

Recent court decisions have opened up new ways to activate and fortify Government policies on oleo. Within a short time after these decisions were handed down, dairy policy voluntarily advocated the elimination of taxes and license fees on oleo and the substitution of other forms of Government control.

Personally, I see great significance in the fact that a substantial segment of the public volunteered as the reason why they approved the substance of the Gillette-Wiley amendment, their feeling that each State should decide for itself. We have seen evidence in many quarters that the people are growing resentful of the encroachment by the Federal Government into the privileges and prerogatives of the individual States. We now see that sentiment again here in connection with a question which, as the survey itself shows, is not of burning importance to a large part of the public. We are treading on the toes, not only of the respective State governments, but of the people, when we arrogate to the Federal Government powers and actions which logically rest with the States.

Mr. President, I am surprised and more than a little concerned over the public's voluntary expression, through the medium of this poll, of their fears in this regard. Many of the questions and problems which confront us in our sessions cannot and should not be delegated to the States. But the question of oleo restrictions and legislation is one which can and should be solved at the State level where sectional preferences and sectional opinions can be individually expressed and not submerged with those of other sections.

The third strong reason why the public expresses its approval of a ban on interstate shipments of yellow oleo is vital and compelling. It is the fear of fraud. The Senator from Arkansas has pooh-poohed again and again the idea that any consumer could be defrauded in view of the regulations which the bill under consideration places upon restaurant service of yellow oleo. He failed to point out—perhaps he did not know—that in his own State, where very similar restrictions now exist, 66 out of 100 restaurants surveyed by a fact-finding agency less than a year ago, passed off oleo in place of butter upon their patrons unsuspecting or otherwise.

But oleo naturally lends itself to fraud when it is colored yellow. It looks, it tastes, and it resembles closely in other respects butter, a more expensive product. Shady operators could make easy money by rewrapping yellow oleo in butter cartons. The ease with which this can be done was pointed out graphically to the House Committee on Agriculture a year ago. That committee, you will re-

call, reported out favorably a bill very similar to the Gillette-Wiley substitute amendment.

Consumers see the inherent possibility of fraud in oleo. They recognize the need for rigid controls of those who would defraud them of their money. It is apparent that they see a satisfactory measure of protection in a Federal ban on interstate shipments of yellow oleo and enforcement at the State level of whatever restrictions each State chooses to impose.

We are debating here a measure which affects virtually every family in these United States. Involved in the question are such basic factors as agricultural economics, corporation sales problems, and the rights of consumers to buy what they please and get what they pay for. We have heard arguments on both sides of the question, but in the last analysis, it seems to me, we should harken to the voice of the people. After all, they are the ones who consume the butter and the oleo. In the survey to which I have referred, and in a number of others, the people have spoken clearly. The survey was broad in scope, objective in purpose, and as scientifically conducted as it is possible to conduct surveys in this enlightened twentieth century. Whatever margin of error may exist in the findings—and I think we ought to say there must obviously be some margin of error—it is bound to be a matter of only a few percentage points one way or the other.

But the weight of evidence is predominate, not marginal. Seven out of ten people say it makes little or no difference to them whether or not they can buy yellow oleo. And more than 2½ times as many would approve a law which would remove present taxes and license fees on oleo and forbid the interstate shipment of yellow oleo as would disapprove such a measure.

No one yet has advanced any reasons why the Senate should disregard public opinion on this issue.

CONSULTATION AND COLLABORATION IN THE FORMATION OF INTERNATIONAL POLICY

Mr. WILEY. Mr. President, I am grateful to the Senator from New Hampshire [Mr. BRIDGES] for allowing me to speak for a few moments on a matter not related to the subject before the Senate.

There are two matters that are giving serious concern to the people of this country. One is, will the leadership of this Nation and of the world prove itself adequate so that the world will not have to experience a third world war? The second concern of our people is whether or not we will be wise enough and adequate enough to avoid another economic depression. Recently on the floor of the Senate, in the course of debate regarding Formosa, I catechised my good friend the Senator from New Jersey [Mr. SMITH], and in the debate I stated that after we had heard the Secretary of State, Mr. Acheson, in an executive session of the Foreign Relations Committee, I would have a few words to say in regard to the first of these problems, the problem which concerns our people and the

people of the world. In the center of that problem there seems to be the controversy relating to Formosa.

The Foreign Relations Committee was in session today. I could not attend, but I have heard something that came out of that meeting of the committee, which more or less fits into what I had dictated before I came to the Senate Chamber. We say we are "a government of laws." That is, the United States of America is controlled by a government of laws. In the realm of foreign relations, our Supreme Court, in the case of the *United States v. Curtiss Wright Export Corp.* (299 U. S. 304), has said the President possesses a delicate, plenary, and exclusive power, as a sole organ of the Federal Government, in the field of Foreign Relations, a power which does not require as the basis of its exercise an act of Congress. The Court stated that the President, rather than the Congress, has the better opportunity of knowing the conditions which prevail in foreign countries; which of course is generally true. Through the State Department and the branches of the Foreign Service, information is furnished to the Executive. While this states pretty clearly where the plenary and primary responsibility in relation to foreign affairs resides, in a world which is pretty touchy and sensitive in spots, and which has been contracted through the ingenuity of man in the last two decades, and particularly in a world in which the races of men are on different intellectual and spiritual levels, I personally believe that on all international problems, at least those which are of the highest importance, the Executive can well afford to give consideration to the views and suggestions of national leaders of thought, particularly those in the legislative branch.

While I have been in Congress it has never been my policy to criticize the President in the exercise of his functions, so long as he remained in his own bailiwick and performed his own functions, but when he got over into the legislative bailiwick, so to speak, or when he has attempted to interfere with the functions of the judicial branch of government, I have not hesitated to criticize such action. Personally, I do not believe in indulging in personalities, nor do I set myself up as one who possesses any superior judgment or vision. Parenthetically, I may say there are too many visionaries in all fields. What we need is what Mr. Dooley called common sense, which he says is the scarcest commodity on the market.

I repeat that I have not hesitated to criticize action, if and when the Executive in my opinion has jumped over the fence and attempted to dominate the legislative branch, or to impose legislation on Congress, and when and if through his departments downtown we find a failure to recognize that they are but creatures of the legislative branch, who have become, through custom and through practice, the creatures of the Executive, and they become visionaries after a sort, not only in matters of legislation but in impressing the will of the Executive on the Congress. In those

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. With the permission of the Senator from Texas, I shall yield to the Senator from California, to permit him to reply to the question asked by the Senator from Texas.

Mr. KNOWLAND. Mr. President, very briefly to reply to the statement made by the Senator from Texas that nothing gets out of the State Department except with the permission of the Secretary of State, let me say that of course that statement is not quite accurate, because the trial of Mr. Alger Hiss is now going on in New York, and apparently in the past some documents have gotten out of the State Department without the knowledge of the Secretary of State.

But I wish to say to the Senator from Maine and to the other Members of the Senate who are present at this time, that, of course, it is true that the National Government of China has lost some of its equipment during the course of the civil war, but China is not the only country that has lost equipment. In 5 days the Dutch Army, in World War II, surrendered, with all its equipment. In 7 days the King of the Belgians surrendered the entire Belgian Army, with all its equipment. In a matter of a few weeks the mighty French Army, which was the mightiest in Europe, surrendered, with all its equipment. The British lost all their equipment at Dunkerque. We did not turn our backs on Britain at that time, but we sent to Britain rifles and ammunition and French '75's which we had in stock or storage, and we sent other equipment to help them in the battle of Britain.

The fact of the matter is that while some of this captured American equipment has turned up with the Chinese Communist forces, it is also true that during the war period, when we were supplying Great Britain with approximately \$31,000,000,000 worth of lend-lease, we were supplying the Soviet Government with approximately \$11,000,000,000 worth of lend-lease. I make no criticism of that; I think the Soviet Union was a wartime ally, and, of course, was entitled to receive assistance from us. But some of that equipment was composed of American arms, munitions, jeeps, and so forth.

The Soviets and the Communists may be accused of many things, but they have not been accused of not being good propagandists. When I was in China, I heard reports to the effect that some of the equipment which we often see shown in photographs with captions stating that the equipment had been captured at Peiping and Nanking and at other places in China by the Communists, is actually American lend-lease equipment which had first been sent by us to Russia, and subsequently was transshipped by Russia to the Chinese Communists, and has been very effectively used as propaganda in order to undermine the Government of China and give the impression that it has lost all its equipment—which is not so, because I personally have observed, on the island of Formosa and on the island of Kinmen,

where the Government forces turned back an invasion of over 10,000 Communist troops, American equipment which still is in Government hands and still is being effectively used.

But they do lack a modest amount of equipment which is needed to defend the island of Formosa.

It is my judgment that the requests of the Government of China were still within the existing appropriation bills which have been passed by the Congress of the United States; and if the amount of aid requested by the Government of China had been granted, perhaps it would not even have amounted to 50 percent of the \$75,000,000 appropriated for that purpose by the last Congress.

Mr. BREWSTER. Mr. President, I add only one thing: The stories about the turning over of equipment to the Chinese Communists began in 1943, at the time when the matériel was being shipped over the "hump." While here in America we were reading those stories of the diversion of this equipment from the purpose for which it was designed—namely, to fight the Japs—yet the facts at that time were, as I learned from personal knowledge in flying the "hump," that the agreement with the Chinese Government provided that they were to have all the matériel and equipment above 6,000 tons a month which was flown over the "hump"; but during the entire year the amount which went to General Chennault at Kunming never exceeded 3,000 tons. That was the first thing that disturbed me when I returned to this country—to find stories, as early as that, designed to discredit Chiang Kai-shek and what was going on, when as a matter of fact they were getting nothing at all, except for what the Chinese National Airways could fly from Calcutta.

I should like to ask the Senator from Texas, if I may, one question which deals with the issue now before us. The Joint Chiefs of Staff are, I understand, to come before the Senate Committee on Foreign Relations to testify, I assume perhaps in executive session or in open session. It has been stated that if military, naval, or air officers deviate from the line of authority, from the principles laid down by the Commander in Chief, then those men are apt to be disciplined by being "sent to Siberia." They are not going to be punished, we were told by Secretary Matthews, but they are going to be removed from the chain of command and sent to some other station. Are we to understand that if the Joint Chiefs of Staff, in any of their evidence, should happen to deviate from the line laid down by the President of the United States, those men are going to be subject to possible displacement or discipline as a result? I think it is an extremely important question, to which perhaps the Senator from Texas has given some consideration.

Mr. CONNALLY. What is the Senator's question? I do not know what the Senator understands.

Mr. BREWSTER. I shall try to put the question in words of one syllable for the benefit of the Senator.

Mr. CONNALLY. I merely want to know what the question is.

Mr. BREWSTER. I want to know whether, if the Joint Chiefs of Staff, in testifying before the Senate Committee on Foreign Relations, should deviate in their opinions from the policy laid down by the President regarding Formosa, they would be liable to discipline or to displacement under the principle enunciated by Secretary Matthews of the Navy?

Mr. CONNALLY. I am not the Chief Executive. I cannot anticipate all that sort of thing. I may say that the Committee on Foreign Relations has invited General Bradley and the Secretary of Defense to come before the committee on the 26th of January. They will be there on the 26th; and if the Senator will just wait out in the ante room until after they testify, I shall be glad to tell him what they testify, if necessary.

Mr. BREWSTER. Was the Senator from Texas in any way disturbed by this principle laid down by Secretary Matthews, if he noted it?

Mr. CONNALLY. No; I was not disturbed. But if I were the President of the United States, or if I were Secretary of State, and one of my subordinates took violent issue with my policies, he would not remain a subordinate very long.

Mr. BREWSTER. Suppose he did not take violent issue; suppose he merely took issue; suppose, in some measure, he should deviate from some accepted line; what then?

Mr. CONNALLY. That happens all the time. Deviation does not amount to anything, if the individual is acting in good faith and is a man of integrity and a loyal individual, not someone sniping around.

Mr. BREWSTER. Does the Senator distinguish the case of Admiral Denfeld, then, as not being a sniper?

Mr. CONNALLY. I am not going into any particular case. I have no desire to mention names, and to engage in that sort of thing.

Mr. BREWSTER. Does the Senator from Texas not believe that perhaps the Joint Chiefs of Staff contemplate Admiral Denfeld's retirement?

Mr. CONNALLY. I do not propose to answer questions of that kind. The Senator is trying to maneuver me into a position where he can quote me.

Mr. BREWSTER. Will the Senator from Texas not answer the question? It is a simple question. The Senator was rather insistent that some of us answer.

Mr. CONNALLY. What is it the Senator desires me to answer?

Mr. BREWSTER. I wish the Senator to answer the question.

Mr. CONNALLY. I have answered it as best I can, and the only way that I intend to answer it.

Mr. BREWSTER. The Senator does not think, then, does he, that the Joint Chiefs of Staff have any occasion to have concern about their testimony before the committee?

Mr. CONNALLY. I do not know what the Joint Chiefs of Staff have in mind. They are intelligent men. If it is in the mind of the Senator from Maine, it may also be in the mind of the Joint Chiefs of Staff. They do not seem to agree on

anything else, but they might agree on that.

Mr. KEM and Mr. BRIDGES addressed the Chair.

The VICE PRESIDENT. Has the Senator from Maine concluded his remarks?

Mr. BREWSTER. I wish later to be recognized, but I yield the floor for the present.

The VICE PRESIDENT. The Senator from Missouri has been waiting for recognition, and the Chair indicated at the conclusion of the address by the Senator from New Hampshire that, if he was on his feet, the Chair would recognize him. The Chair now recognizes the Senator from Missouri.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. KEM. Mr. President, the pending measure, House bill 2023, has been debated at considerable length. The issues have been discussed with learning and with a wealth of argument and illustration. I should like to discuss it very briefly and to state my position on the bill.

Mr. President, I shall support the Wiley-Gillette amendment providing, with certain safeguards, for removal of the present taxes and license fees on oleomargarine.

It is my opinion that the Federal Government should not continue to impose discriminatory taxes against this commodity, which has become an important part of the household budget of many families, particularly those in the low-income brackets where pennies count. The tax has been passed on to the consumer, and will continue to be paid by the consumer if the present law remains on the statute books.

Therefore, I am convinced that it should be repealed.

On the other hand, the millions of farmers throughout the country who are engaged in the dairying business, and the thousands of creameries, large and small, which make butter, are entitled to protection against unfair competition from this substitute product. No one should buy oleomargarine thinking it is butter. In righting one wrong, I feel very keenly that we should not commit another.

The Wiley-Gillette amendment should result in adequate safeguards for the public and the great dairy industry that means so much to the prosperity of my own State of Missouri. I shall therefore support the Wiley-Gillette amendment.

Mr. FULBRIGHT. Mr. President, I have a few things to say regarding the pending legislation. I should like to correct the RECORD, if the matter before us now is not the Formosan question but the pending oleomargarine bill.

Mr. President, I have in my hand an editorial from the Richmond Times-Dispatch of January 6. As everyone knows, the editor, Mr. Virginus Dabney, is one of the leading editorial writers of the country. I wish to read one para-

graph from it referring to the pending so-called Wiley-Gillette amendment:

This bit of skulduggery has been dubbed "the Wiley amendment" by punsters on Capitol Hill. If passed by the Senate, it will go down in history as one of the most disgraceful chicaneries of all time. * * * The vote on the Wiley amendment should provide us with an excellent criterion of the kind of statesmanship we have in the Senate.

It goes on to point out that the Wiley amendment is not a solution to the difficulty of which the butter producers themselves complain. I ask unanimous consent to insert the entire editorial in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A SCANDALOUS AMENDMENT

Far more than the price of yellow oleomargarine is at stake in the outcome of the Senate's vote on the House-passed oleo tax repealer—as amended by a 25-man butter bloc in the upper House. The Senate is expected to vote on their emasculated repeal bill today.

The amended version of the bill, proposed by Senators GILLETTE, Democrat, of Iowa, and WILEY, Republican, of Wisconsin, would repeal the 10-cents-per-pound tax on colored margarine, and the quarter-of-a-cent tax on uncolored—but would prohibit all interstate traffic in colored margarine. In other words the housewife could buy tax-free oleo only if it were manufactured in the State in which she resides.

This bit of skulduggery has been dubbed "the Wiley amendment" by punsters on Capitol Hill. If passed by the Senate, it will go down in history as one of the most disgraceful chicaneries of all time.

Senator WILEY and his butter men are perfect examples of the type of politician referred to in the oft-quoted epigram of John Morley's: "Those who would treat politics and morality apart will never understand the one or the other."

Tools of the butter bloc, these men are determined to prolong the controversy indefinitely and at any cost to the millions of housewives who now pay 10 cents more than they should for each pound of oleo they buy.

The vote on the Wiley amendment should provide us with an excellent criterion of the kind of statesmanship we have in the Senate.

There is no more excuse for prohibiting the interstate shipment of colored margarine than there is for a law compelling a housewife to buy no butter except that produced within her own State.

The oleo people have science, the consumer, and justice on their side. The consumers demand the repealer; the scientists have proved that the fats in oleo are palatable, nutritious, and wholesome; justice demands an end to this intolerable discrimination. If the butter bloc can defeat all three, the only conclusion to draw is that those Senators who vote for the Wiley amendment are impervious to the appeal of justice, blind to scientific evidence, and deaf to the plea of housewives—something to be recalled when these gentlemen offer for reelection.

Mr. FULBRIGHT. I should like to point out that the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], as amended by the Aiken amendment, is the proper approach to the problem, if the dairy interests are really concerned about misrepresentation and fraud. It undertakes to set down a proper criterion for advertisements and labeling, the labeling being covered in the Pure Food and Drug Act, and to provide very severe penalties for

violation of the act. If there is any proper approach, that is it. The approach of the Wiley amendment, which simply prohibits the shipment of yellow margarine in interstate commerce, does not accomplish that purpose in any way. It is an infringement upon existing rights of the States which permit without restriction yellow margarine to be sold within their borders. There are 32 States which permit it, and only 15 of those States have plants within their borders; one of those being Missouri, the State of the Senator who has just spoken. Of course, that State is large enough to support a plant, but in such States as Nevada, Utah, Arizona, and New Mexico, which have relatively small populations, I do not think it would be economically possible to support a plant. The Wiley amendment in effect denies the people of those and other States the right to buy yellow margarine, whereas today they can buy it freely—of course, paying the tax. In my judgment it would be much more sensible to leave the existing legislation in effect than to adopt the Wiley amendment, which would put up a complete barrier against interstate commerce in yellow margarine.

Mr. President, I have before me an article which appeared in a trade journal that is no way related either to the margarine industry or the butter industry. It was in the Refrigeration and Air Conditioning News, of Detroit. It was a guest editorial by E. N. Guild. I desire to read it, as I think it highlights one of the interesting phases of this situation:

IT COULDN'T HAPPEN HERE—OR COULD IT?

(A guest editorial by E. N. Guild)

(EDITOR'S NOTE.—Author of this grand satire is both an electric refrigeration executive and a farmer. He's also fed up with socialistic government. All people in the gas-appliance industry, we trust, will understand that he's lampooning political gas bags, not the gas industry.)

The national controversy over the butter and margarine situation has given me a great inspiration. This is such a wonderful idea that it should have been thought of long ago, and the fact that nothing previously has been done reveals that American industry has failed to exercise the privileges and opportunities open to it under our enlightened form of government.

I am identified with the electrical industry, and have a strong preference for this form of energy; so strong that over the years I have convinced myself that all other forms should be abolished, in the public interest. Naturally, I use an electric range in our kitchen at home, and being completely satisfied that it possesses greater merit than competitive gas ranges, I propose, with the help of others, to launch a program that would protect consumers against this dangerous and inferior rival. The plan is justified on grounds that we—the electric interests—are larger; we represent more employees (voters) and cut a bigger figure in the national economy than the gas group. Therefore, we need special advantages to help us maintain our position of leadership. Otherwise we might not prosper, and that would be a bad thing for the country. Adversity might also cause us to transfer our political allegiance to another party.

The silly legal point concerning combinations in restraint of trade need not bother us. The dairy industry blazed the trail a

couple of generations ago when our democracy was far less liberal and advanced than it is today. In fact every one of the items in this proposal is copied from the laws of our fair land with respect to butter and margarine competition. Hence, its absurdity cannot be said to exceed that of the sources from which it was derived.

I propose that Congress enact the following legislation:

1. A measure to require that all gas ranges be produced with black finish, for purposes of identification. Since the natural color of ranges is white, the white finish should be set aside for our exclusive use, in perpetuity.

The objectives of our group, although quite pure and altruistic, may be misunderstood. So we will form an association, and invest money in well-placed gratuities, coupled with an educational campaign to show that unless gas ranges are painted black, millions of unsuspecting people are likely to purchase them in the mistaken belief that they are genuine electric models. However, we may not get away with this because of stupid opposition, and are prepared to agree on a generous compromise. Our competitors may have the right to supply a can of white paint with each black range, provided that the repainting shall be done in the customer's kitchen. Heavy fines should be imposed for noncompliance.

2. Stiff taxes should be imposed on the gas-range industry to curb the growth of this public menace. Since the Government is looking for additional sources of revenue, such a proposal would likely meet with great favor. Moreover, the tax structure can be devised cleverly, with a low rate on gas ranges in black and a high rate on gas ranges which may employ in defiance our natural white finish. Therefore, if proposal No. 1 is considered discriminatory or impractical, we can accomplish our purpose with equal effectiveness by the tax route. First, slap on a Federal processing tax. This should be about 30 percent of the retail price for white gas ranges. Second, soak the manufacturer an additional \$600 per year for a special license to engage in such an unlovely business. Third, State taxes should be imposed, and although these will vary tremendously in different parts of the country, the variation in itself adds to the nuisance value. Fourth, let us arrange a wholesaler's tax of \$200 per year for handling black gas ranges and \$480 per year for white gas ranges. Fifth, stick the retailer \$6 for handling the black stuff and \$48 for white.

It should be obvious to any sensible person that these special taxes are reasonable and fair. They act as a deterrent to the manufacture and sale of spurious goods.

3. For the purpose of discouraging gas-range sales still further, we should require each dealer to placard his establishment with warnings in letters not less than 3 inches high stating that the proprietor is trafficking in gas ranges. The phrase "caveat emptor" need not be added, the implication being sufficient. Likewise each restaurant where a gas range is used must have the dining room well-posted in a similar manner for the guidance of patrons who may wish to be forewarned.

4. Compel the manufacturer to identify each gas range with "caution" labels on all exposed surfaces, ostensibly as a protective measure, but also to transmit to the buyer a distinct impression that the product is a substitute for something better.

5. None of the foregoing restrictions or special taxes should apply to our electric-range industry. Furthermore, we require and are entitled to the following privileges:

(a) The right to finish our product in black, or any other color, at the factory, should we find that our natural white color is losing ground in consumer preference.

(b) A subsidy from the public, paid through the Federal Government, so that we

cannot lose money in producing our merchandise. This financial support is not to be repaid during periods of prosperity or scarcity when profits may be excessive. The gas-range manufacturers shall not qualify for such benefits.

The advantages of my proposal should instantly be apparent to all persons skilled in modern political science. The economy of this country has become so complex that our industry should no longer be expected to struggle along, virtually alone, on the basis of free enterprise. By applying a special kind of analysis, not out of accord with the philosophy of our present administration, one may easily be persuaded to believe that our purposes are completely unselfish.

Combinations, it seems, refer to a sinister plot between two or more individuals or groups to restrict or injure the trade of others. But it has been demonstrated that when one of the conspirators happens to be a branch of the Government, nothing in the Constitution can stop them, for each discriminating action is taken through the creation of new laws and regulations. With reference to our margarine problem, Jefferson, or any of our early American patriots, would have stormed these barricades with flags waving, for they were sworn to defend our democracy with their "lives, fortunes, and sacred honor."

Ah—but I shrug—Thomas Jefferson is dead.

Mr. President, the opponents of the bill have made much of the argument that the giant Unilever Co. is going to monopolize the margarine business, if the bill is passed. Their remedy for this is to pass the Wiley substitute, which would require a separate margarine plant in each State. Testimony before the committee indicated that this would require a great deal of expense on the part of margarine manufacturers. It seems reasonable to assume, in the scramble for the construction of these margarine plants, that Unilever might well lead the way, since, according to some Senators, they have unlimited resources and are determined to take over the margarine business in the United States.

Of course that argument is wholly without foundation. The facts are that the Jelke Co., which was bought by the Unilever Co., produced less than 5 percent of the total production. There is very keen competition within the industry. The part which is completely inexplicable otherwise is the question of the price, under the existing conditions. If there were a monopoly, certainly there would not be such an enormous spread—more than 50 percent—between margarine and butter. It is not characteristic of monopolies to take so much less than the market will bear. There is no explanation of the fact that today white margarine is selling at less than one-half the cost of butter and that yellow margarine sells at approximately half the cost of butter.

As I have stated before, they cannot have it both ways. If there were a monopoly, the price would be much higher than it is today in the normal course of events. The reason why margarine is so cheap is that the ingredients are cheap, which is admitted, and the competition within the industry is so strong that the price is kept within a very reasonable margin of profit.

It was recently stated on the floor of the Senate that the cost of a pound of

margarine is 9 cents. That is ridiculous. Refined cottonseed oil is selling in the neighborhood of ten and a half cents a pound. That is the raw product. The cost of soybean oil is slightly more than that amount a pound, so that the actual cost of production must be in the neighborhood of 18 or 20 cents a pound. The price from the manufacturer to the wholesaler is approximately 1 or 2 cents above that, and by the time it gets into the hands of the retailer it is sold at a price in the neighborhood of from 31 to 33 cents a pound, depending upon the distance of the manufacturer from the market, the freight rates, and so forth.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUTLER. The Senator has just been speaking of the cost of oleomargarine, apparently on the basis of the cost of certain domestic oils, principally cottonseed oil, soybean oil, and such items. But would it not be possible for the manufacturer of oleomargarine to considerably lower the cost of his finished product by using some of the 400,000,000 pounds of coconut oil coming in annually from the Philippines, in addition to similar items from other countries where the cost of labor is very low?

Mr. FULBRIGHT. It might be possible. The evidence is very clear in the hearings held last year and the year before that the manufacturers of margarine, in the total production in this country, utilize no oils other than the ones mentioned a few days ago, namely, cottonseed oil and soybean oil, which are the two principal oils accounting for approximately 95 percent. Corn oil and peanut oil are also used. Some margarine is made for special uses, a small amount for export, in which some of the other oils are utilized. But I think that is simply a straw man which is set up.

It has been stated for a number of years that practically 95 percent of the production of margarine is made from domestically produced cottonseed oil and soybean oil. I suppose much the same statements can be made of milk as have been made regarding oleomargarine. A great many persons have been convicted of putting water in milk and selling the product for pure milk. That would necessarily lower the price. I suppose it might be argued that we should abolish milk because someone might put water into it. We read in the newspapers now and then that someone has been convicted of adding water to milk.

Mr. BUTLER. If the Senator will yield further, I should like to say that there can be no question about the importation of 400,000,000 pounds of coconut oil from the Philippines, and there cannot be very much question about what it can be used for. I am perfectly willing to admit that it is used principally in the manufacture of soap, but it can be used in oleomargarine when competition reaches the point where the manufacturer of oleomargarine needs to lower his cost a little further in order to accomplish certain purposes. There is no doubt that an increased percentage of the 400,000,000 pounds of coconut oil, supposedly imported for the manufacture of soap, could

be used in the manufacture of oleomargarine.

Mr. FULBRIGHT. As I said a moment ago, I suppose that would be possible, but I think it would be unwise. The oleomargarine manufacturers are relying upon the quality of their product, and if one observes the curve of sales during the past 6 or 8 years, I think he will agree they are entirely justified in doing so.

The principal reason why the sales have increased so substantially is that oleomargarine is an excellent product. Everyone knows what he is buying, and is quite content to buy it, and all the evidence which has been submitted indicates that it is a nutritious food. We are familiar with the experiments which have been conducted by several leading scientists, in institutions such as the University of Illinois, the University of Southern California, and others, to which I wish to make reference a little later.

A good deal has been said by the proponents of the Gillette-Wiley amendment with regard to the spread between yellow and white margarine. In order to get first-hand information on that point, I made inquiry of manufacturers with respect to their policies, and I have the replies here. I shall not read all of them, but I should like to read several into the RECORD at this time, as samples. I have replies from most of the principal manufacturers, and I should like simply to read some of them as illustrative of what they all contain.

I have here a telegram dated January 3, from New York, addressed to me, which reads as follows:

NEW YORK, N. Y., January 3, 1950.

Senator J. WILLIAM FULBRIGHT:

In response to your request please be advised that we manufacture one brand of uncolored margarine and the same brand of yellow margarine. The price differential between the two charged by us is 10 cents per pound for solid brick, yellow margarine and 11 cents per pound for yellow packed in 4 quarter-pound prints. These are and have been our differentials. Should the Federal taxes on margarine be repealed our selling prices will be reduced by the saving in taxes.

THE BEST FOODS, INC.,

S. CYPRESS,

Director of Sales Coordination.

Here is one from a well-known firm, Armour & Co. I do not know why that one company was not particularly mentioned. Indeed, Armour & Co. makes more margarine than do Lever Bros., but for some reason or other it was presumed by some Senators that Lever Bros. had a little more dramatic appeal. This is dated Chicago, Ill., addressed to me, and reads:

CHICAGO, ILL., January 3, 1950.

Senator J. W. FULBRIGHT,

Senate Office Building:

In response to your request we have two brands, Mayflower and Sweet Sixteen, white and colored. Our cost price to dealers on colored 1-pound packages is 10 cents per pound over regular white, 11 cents over regular white on colored quarters. This has been our pricing policy over the years. In event of 10-cent color law repeal our price on colored will be reduced 10 cents per pound.

ARMOUR & CO.,
E. C. LEWIS.

Here is one from my own State, Osceola, Ark., which reads:

OSCEOLA, ARK., January 3, 1950.

Senator J. W. FULBRIGHT,

Senate Office Building:

In response to your request for information regarding brands and prices, we manufacture 10 brands of margarine in white solids and colored quarters. Differential between regular white and colored quarters is 10 cents per pound, and it is our definite intention to pass this differential on to the trade in the event taxes are repealed.

OSCEOLA FOODS,

L. C. B. YOUNG, President.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. In the early part of the afternoon I obtained a unanimous-consent agreement that at the conclusion of business today the Senate would take a recess until 12 o'clock on Tuesday. In talking with some Senators they have indicated that they thought the hour of meeting should be 11 o'clock. I ask unanimous consent to modify my request and make it 11 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered. That does not involve changing the order as to the hour of voting, does it?

Mr. LUCAS. No.

Mr. FULBRIGHT. It is also understood that the time from 11 until 1 o'clock will be equally divided between the Senator from Wisconsin and myself, is it?

Mr. LUCAS. The Senator from Arkansas is correct.

Mr. FULBRIGHT. Mr. President, I do not wish to delay the Senate too long, and I shall not read all the telegrams I have. There are two others, from well-known companies, which I am sure are highly responsible companies. I know the Senator from Nebraska, for example, is well acquainted with one of them, and I am quite sure he has confidence in them. I speak of Swift & Co., of Chicago. They say:

CHICAGO, ILL., January 3, 1950.

Senator J. W. FULBRIGHT,

Senate Office Building:

In response to your request for information as to how many brands yellow and white margarines we quote also the price differential at wholesale level. We quote one brand Allsweet in 1-pound solid white or 1 pound solid or quarter-pound yellow. Price differential between solid white and solid yellow 10 cents to cover tax. Between solid white and yellow quarters 11 cents to cover tax and increased packaging costs. This differential has been constant since we first began sale of artificially colored margarine.

SWIFT & CO.,

W. L. PRENTISS.

One other, and then I shall desist. This is from a different part of the country, from Sherman, Tex. It reads:

SHERMAN, TEX.

Senator J. W. FULBRIGHT,

Senate Office Building:

In response to your request we wish to advise that we manufacture only two brands of margarine. Namely Meadolake and Hollandale margarine in both colored and uncolored. The uncolored is packed in 1-pound solid prints, the colored is packed in 1-pound solid prints and four one-quarter-pound prints. We do not pack margarine in

the squeeze bag. Our differential in price between the colored and the uncolored has been uniform since we first started making colored margarine. The differential in price on the colored in 1-pound solid prints is 10 cents per pound above the price for the uncolored. The differential in price on the colored and four one-quarter-pound prints is 11 cents per pound above uncolored. When the present Federal taxes are removed on margarine we expect to reduce our price on colored margarine 10 cents per pound.

MRS. TUCKERS FOODS, INC.

Mr. President, there is no reason whatever to believe that all these companies are simply standing by expecting to raise the price of all their margarine 10 cents. It is assumed, and I believe, and I think it is undisputed, that these companies are making a reasonable profit on their product today. They would, indeed, be very foolish to raise the price if they had the power to do so, as has been alleged by the supporters of the Wiley amendment. They would be simply creating a situation which would invite into the field additional competitors. That always happens if an industry is left free, if it is not Government controlled. It would be a very stupid move on their part, because there is no evidence that there is a monopoly. If, as the allegation is, there were a monopoly in this field, then of course that would be attacked. It should already have been attacked, and those who believed it should have preferred charges that it was a monopoly in violation of the Sherman Act. Of course there is no evidence whatever in support of such an allegation, or some representation would have been made long before now.

There is no more active group in the whole United States than the butter organization, and I must say, in spite of the fact that I differ with them, that I have never encountered a group better organized or more efficiently represented in Washington than that represented by Mr. Charles Holman. I pay him that compliment, because he is the most resourceful man who has ever represented any important industry in this Capital. After all, this is the first time in 60 years in the history of this legislation that the Senate has ever agreed even to vote on the subject. Ever since I have been a Member of the Senate, certainly for at least 3 years, we have been attempting in every possible way to get a vote, and I can hardly believe that even today we have finally agreed to vote on one part of it, a substitute, in this instance.

The fact that there has been no prosecution of the margarine industry as a monopoly cannot be ascribed to the fact that they do not have efficient and alert representation in Washington. That in itself is quite sufficient proof that there is absolutely nothing to the allegation that there is a monopoly or a trust in this business. It would long since have been broken up if anything of that sort had existed.

Of course, the additional fact, and the one that is unanswerable, is the existing price of the product. It is cheap. In fact, that is its only real crime. The only real offense it is guilty of is that it

is so cheap that it embarrasses its competitors, that is, the butter makers.

Mr. President, as I have said, I have telegrams from some 15 or 20 other companies, but they are exactly the same in substance as those I have read. They support the view, or they all agree, that with the elimination of the tax the price of yellow margarine will be the equivalent of the existing price of the white margarine, at least within approximately a cent. There is the cost of the coloring, which is very slight, but it would justify a differential at least half a cent or a cent.

Mr. President, I have several editorials pertaining to this subject which I think are of great interest. I have a great many more in my office than I have here, but I have selected a few of them from the States in which it is alleged great harm will result from the repeal of these taxes.

The foremost State, or certainly among the first few States in the production of butter, is Iowa. I have in my hand an editorial from the Reinbeck (Iowa) Courier. I wish particularly to call it to the attention of the distinguished Senator from Iowa [Mr. GILLETTE], who is a cosponsor of the amendment. The editorial was published on April 21, 1949, when it was expected that a vote would be had on this subject. I shall read only a few sentences from it to illustrate that even in Iowa, a great butter-producing State, its people do not all see the matter in the same way. I read as follows:

COLORED OLEO AND COLORED BUTTER

Now comes Senator GUY M. GILLETTE, who states that he is sponsoring a bill to repeal the tax on oleo. GILLETTE's bill will be very much the same as other bills that have been introduced, and almost identical with the Grainger bill, with exception that GILLETTE's bill will not permit shipment of colored oleo in interstate commerce.

How silly this is. Just as well include butter in the bill also. There is no such thing as natural golden yellow butter, with the exception of about one month in the year. All butter is colored with the same ingredients that oleo is colored with.

I remind Senators that this editorial is not from an Arkansas or Alabama newspaper. It comes from an Iowa newspaper. Reinbeck is a rather small town in Iowa, too. It is not one of the great metropolitan centers. I continue to read:

The writer—

That is of this editorial—

had a vital interest in a creamery in Reinbeck some 14 years ago, in fact we had money invested in it, and we know whereof we speak. Our creamery purchased a lot of butter coloring, and it was used aplenty.

It just strikes us a little out of line to legislate one group against another. In fact this legislating business has grown to an extent where it has become dangerous. Nothing can bring about one of the so-calledisms as quickly as too much legislation.

Southern Senators can be expected to fight to a finish this oleo bill restricting their farmers and industries of the Southern States making oleo. It seems to be O. K. to ship colored butter down South, but wrong to send colored oleo up North. Such a law.

I think that editorial is especially appropriate to appear in this debate, be-

cause I believe many persons who are so very eager in their support of the Wiley-Gillette amendment are also on other occasions very much inclined to complain of the great amount of Federal regulation in other fields. So I think that the views of this writer are especially appropriate.

I have another editorial published in the Denver (Colo.) Post of June 2, 1949. Denver is in another State which has been quite prominent in its support of the Wiley-Gillette amendment and, I may say, of all the restrictions in the past upon oleomargarine. The editorial is as follows:

A FAST-FADING HOPE

Two months ago the House of Representatives passed a bill removing the special Federal taxes on oleomargarine—taxes which penalize one product for the benefit of a competing product—butter.

The House action raised high the hopes of consumers. At last, they thought, people who could not afford the luxury of eating tax-free butter would no longer have to pay discriminatory taxes for the privilege of eating margarine.

They figured the most un-American of all taxes—a tax based on inability to pay instead of ability to pay—was about to be repealed.

In the last 2 months, however, butter manufacturers, backed by many misguided dairy farmers, have been bringing great pressure on the Senate to keep the bill passed by the House from becoming law.

Their campaign has been so successful that congressional observers now list the margarine-tax repeal as having but slight chance for Senate action, particularly if Congress sticks by its intention of closing up shop on July 31.

Popular demand for repeal of the margarine tax has been unmistakable. There is no reason why this discriminatory tax should not be repealed at this time. It is poppycock for anyone to pretend that the dairy industry rests on such a shaky foundation that only a 10-cents-a-pound tax on colored margarine stands between it and economic collapse.

That is exactly the point I think I have proved by the statistics as to the use of milk in this country, especially by the statistics coming from Wisconsin, the State of the proposer of the amendment. I maintain, just as the editor of the Colorado Post maintains, that it is poppycock to say that the whole stability and prosperity of the dairy industry depends upon this 10-cents-a-pound tax on margarine and the restrictions which have existed upon margarine through the years. The editorial continues:

It is time the Senate quit playing farm-vote politics on a matter which affects the food budgets of millions of families from coast to coast.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial published in a Wilmington, Del., newspaper under date of April 29, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EMANCIPATE OLEO

Back in February the State senate passed the bill to permit the sale of yellow oleomargarine in Delaware. In the house the proposal has been reported favorably out of

committee, but somehow has been held back from a vote. It now looks as if the house will act on the bill this week. Because we think yellow oleo should be emancipated in Delaware, as elsewhere, we urge that the local restrictions be removed without further delay.

The same bill which removes the restriction on color also sets up adequate safeguards for the buying public. Colored oleo would be clearly labeled as such in packages. Before serving it, a restaurant must identify it on the bill-of-fare or must announce its use on a placard in full view of all customers.

The present Federal 10-cent tax on yellow oleo, along with other Federal taxes on manufacture and sale of oleo, is pretty sure to be repealed in the United States Senate. Such a repealer has already passed the House of Representatives. There is no doubt that President Truman and Governor Carvel will give final approval.

We would not be happy in urging the emancipation of margarine if we thought the dairy industry would suffer in any serious degree. We think it will not, especially in Delaware and the Eastern Shore.

But we could not, in any event, support legal discrimination in favor of one good product and against another. It then becomes discrimination against the consuming public. Housewives have the right to buy yellow margarine, if they wish, without penalty.

Mr. FULBRIGHT. I see the distinguished Senator from Indiana [Mr. CAPEHART] present in the Chamber. For his benefit, and because he has given such close attention to the subject, I wish to read into the RECORD an editorial published in the Muncie (Ind.) Star of May 25, 1949, as follows:

PUT MARGARINE BILL TO VOTE

The bill to repeal discriminatory Federal margarine laws passed the House by a 279 to 89 vote and was approved by the Senate Finance Committee. But it has got no further than that. It now is in danger of becoming the victim of a legislative log jam. That was its fate last year.

The margarine measure is the target of threats of filibusters and crippling amendments. This hurts its chances for consideration on the floor of the Senate, which has a lot of work to do before the July 31 adjournment date. This situation, however, will not excuse the Senate from putting the bill up for vote. Both the House action and public opinion, which has been shown to be heavily in favor of the measure, obligate the senior legislative body to go on record.

I also ask unanimous consent to have printed in the RECORD at this point two editorials from the Wichita (Kans.) Beacon, an editorial from the Louisville (Ky.) Courier-Journal, an editorial from the Louisville (Ky.) Times, another from the Bath (Maine) Times, one from the Pontiac (Mich.) Press, one from the Marquette (Mich.) Journal, and one from the St. Louis Globe-Democrat.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wichita (Kans.) Beacon of June 16, 1949]

FOUR HUNDRED THOUSAND RETAIL GROCERS JOIN THE DEMAND FOR THE REPEAL OF THE OBNOXIOUS TAX ON MARGARINE

Four hundred thousand retail grocers have joined the public demand that Congress remove the discriminatory and obnoxious tax on margarine. They reflect the desire of the 40,000,000 Americans with whom they are in constant contact.

These 40,000,000 people include farmers, laboring men, the white-collar group, and others who purchase and consume margarine as one of their nutritious foods. As margarine buyers they do not want to continue to be penalized by paying a premium on margarine.

These merchants meet day in and day out their margarine customers. They know public sentiment. They are reflecting the sentiment of their patrons—the American public—when they declare that the margarine tax should be removed immediately.

Retail grocers do business with the rich and the poor alike. Their patrons represent people in all categories.

These merchants want the tax penalty taken off margarine in the general interest. They see it as an unfair discrimination which the people should not be compelled to endure.

Senators, the people want action by you that will result in the repeal of the margarine tax. Ten thousand retail merchants, in the convention of the National Retail Grocers Association, have passed a resolution for the tax repeal. The House of Representatives already has passed a similar measure.

Why does the Senate stand in the way of the tax repeal? The grocers represent no group or clique. They speak for the public—their customers—and they know what they are talking about.

After all, Senators are elected to serve the people. The tax repeal is a service the people want and demand of their legislators. Surely, no Senator wants to continue to keep this hardship on the people he represents.

The margarine tax is a hardship and injustice on people who can afford to buy margarine but cannot afford to buy butter. They plead with you, their Senators, to remove this uncalled-for, obnoxious, and penalizing tax.

[From the Wichita (Kans.) Beacon of May 19, 1949]

REPEAL OF THE ANTIMARGARINE TAX LAWS IS DUTY THE UNITED STATES SENATE OWES ITS CONSTITUENTS

The hour of the show-down on whether the unjust and discriminatory taxes on margarine are to be repealed or remain in effect is at hand. This is the most critical period the groups that favor the elimination of this penalty on a popular and necessary food have faced.

The bill that would remove the taxes on margarine has passed the House of Representatives. It is soon to be called up for debate and action in the Senate. Many Senators have not made up their minds on this greatly important matter to the consumers of margarine—and they are legion.

The laborers, white-collar groups, farmers, tenants, and others should have the opportunity to buy margarine without having to pay obnoxious taxes on it. They want the Senate to relieve them of this burden.

Foods, and especially margarine, are taxed to death by Federal taxes and State taxes, including a sales tax. Taxes are responsible for the high prices now being charged for foods.

Why should the Federal Government pick out margarine for special taxation when there are so many other kinds of taxes? It simply is not understandable. The American people should have the right to buy their foods, including margarine, without having to pay obnoxious taxes on them.

Passage of the margarine antitax bill by the Senate should come without any crippling amendments that may be offered.

Many consumers cannot afford to buy butter. Their health demands the fats margarine provides. This nutritious and economical food should not be denied them because of a prohibitive tax.

Justice and plain common sense demand that the people should not be deprived of a food they want, need, and are able to buy.

The Senate should be quick to follow the example set by the House of Representatives and by passing the measure for the removal of margarine taxes do its constituents an invaluable service. The Senators owe such action to the people they were sent to Washington to serve.

[From the Louisville (Ky.) Courier-Journal of May 22, 1949]

MARGARINE TAX REPEAL IS UP TO THE SENATE

It is true that the Senate faces decision on unprecedented international affairs at this session. It is true that more legislation is awaiting enactment or in the process than can possibly be completed before adjournment.

But this is no reason why an act repealing the Federal tax on margarine should be allowed to die. The bill has been passed by the House of Representatives. It has been reported favorably by the Senate Finance Committee. The tax on margarine is everywhere recognized as a discrimination foisted on the housewife by the dairy lobby. There is no serious pretense that it is a revenue measure. It has weighed unfairly on those housekeepers who must watch pennies—and there are millions—for 60 years.

At the last session of Congress the repeal bill passed the House, was approved by the Senate Finance Committee, and died with the Eighteenth Congress. If Members of the Senate know the wishes of those who elected them, it will not happen again this year.

[From the Louisville (Ky.) Times of May 21, 1949]

ANOTHER RUN-AROUND SIMPLY WOULDN'T DO

Unquestionably the Senate's docket is heavy. But this can be no excuse for putting aside a bill which has passed the House by as many votes as 279 to 89. A tally like that shows that a large majority of the people really want a bill enacted into law. The bill in this case is that repealing discriminatory Federal taxes on oleomargarine. It has not only been approved overwhelmingly by the House but also by the Senate Finance Committee, so that the way is clear for final action.

Yet word comes from Washington that there is serious danger final action will not be taken before Congress recesses, probably in midsummer. This danger exists because some of the dairy-State Senators, led by ALEXANDER WILEY, a Wisconsin Republican, threaten to filibuster in case the margarine bill is taken up. With so much important business before the Senate and time now so precious, such a threat is, of course, potent.

However, those Members who would vote for the bill if given a chance, and they are a majority, ought to meet it squarely. If an arbitrary and unfair competitive advantage for butter over margarine is more important to the dairy-State Senators than the Atlantic pact and other vital matters on the Senate's agenda, then let these men be compelled to proclaim that fact to the Nation and endure public obloquy for a while.

Last year a margarine tax bill was passed by the House by 260 votes to 106, approved by the Senate Finance Committee and killed by threat of filibuster in the Senate in the last-minute rush. We don't think most of the housewives of the land and the farmers who produce vegetable oils will take meekly another such run-around as that.

[From the Bath (Maine) Times of April 22, 1949]

MARGARINE VERSUS BUTTER

For 63 years the Congress of the United States has fought margarine. The recent

procedure in Congress withdrew taxes on margarine, and provided for its sale as food-stuff with occupational licenses of \$600 on manufacturers, and less amounts for the wholesale and retail trade. On top of that the lower branch of Congress voted that all margarine served in all public eating places must be served in triangles, which one legislator remarked, "would be like a baby's diaper."

Another lawmaker called it a new pyramid club. The House also included in the bill a provision that eating houses serving margarine must display large signs advertising that fact.

Butter is a popular element of our best food, but the power of its political strength is another matter. There is now more margarine used daily than at any previous time. The butter people have claimed a monopoly on yellow coloring. The color of margarine does not seem to affect the spread.

Numerous articles of all kinds of foods carry colors that distinguish them from other fruits, meats, greens—and even bread sails under different colors. All of which goes to show that the color of different food-stuffs exists in the open market. The coloring of margarine is a very queer issue for the dairy interests and politicians to stand on. In the open markets and homes hundreds and thousands of people tell you: "I can't tell the difference in the taste of margarine and butter."

[From the Pontiac (Mich.) Press of June 8, 1949]

NO MRS. MILQUETOAST

A bill to repeal the deliberately discriminatory Federal taxation of oleomargarine has passed the House and won approval by the Senate Finance Committee. It has taken years to get that near to justice for the consuming public in this matter. Yet dairy State Senators now threaten to filibuster the bill to death, counting on their threats to discourage a Senate move to bring it up for action. Maybe these Senators know on which side their bread is buttered. It is certainly not the same side for the majorities in Congress and the political party responsible for Congress' record. If these others know what is good for them they will see that the bill comes to a vote, filibuster or no filibuster. If they want to hear a real talkfest, let them ask any intelligent housewife her opinion of penalty taxation of the substitute she turns to when she thinks butter is too high.

[From the Marquette (Mich.) Journal of May 20, 1949]

MARGARINE TAX

There has been widespread editorial support for repeal of the Federal tax on margarine. Last year a repeal bill passed the House but died in the Senate. A similar major measure presented at this session may succumb to the same fate. This no doubt is the reason the National Association of Margarine Manufacturers is urging the press to call attention to the present status of the bill.

The House has passed the repeal measure by an overwhelming vote. The Senate Finance Committee also has reported it out of committee. But the association reports, "We are informed that measure may be shunted aside."

There is no valid reason why the Senate should not vote on this bill at this session, and vote favorably. The margarine tax is discriminatory. It never should have been imposed under pressure from the dairy lobby some years ago. It has stood as a horrible example of misuse of the powers of taxation.

Congress has done little to correct the inequities of Federal taxation. The least it can do at this session is to knock out the margarine tax.

[From the St. Louis Globe-Democrat of May 24, 1949]

OLEO REPEAL IN DANGER

The American people want the discriminatory taxes on oleomargarine repealed. A small block of dairy States in the Senate want them retained. There is a good chance that the tactics of this minority group and the Senators who represent them will be able to thwart the will of the majority.

The oleomargarine tax repeal bill was passed by the House in April by a thumping majority. It has been reported favorably by the Senate Finance Committee. All that remains to end this 63-year-old excise levy is approval by the Senate. The measure, however, is now caught in the legislative log jam, and unless the leaders of the upper House act to extricate it, history will repeat itself and the bill will die, as it did at the last session.

Prospects for its consideration by the Senate are marred by the threat of Senators JOHNSON of Colorado and WILEY of Wisconsin to filibuster and amend the bill to death if it is called up for a vote.

There are two sound reasons why such tactics should not be permitted to prevail. The oleo tax is an unjust discrimination against the margarine industry. It is an arbitrary and unnecessary charge which increases living costs. The oleo taxes include a levy of 10 cents per pound on colored margarine at retail, a manufacturers' tax of \$600 a year, a wholesalers' tax of \$480, and a retailers' tax of \$48. Repeal of these levies would reduce the cost of margarine by more than 10 cents a pound—a substantial saving for the average family.

The situation should be a challenge to America's housewives. They can, if they will, make it clear to the Members of the Senate that they want the oleo-tax-repeal bill put on the calendar for prompt consideration and approval.

Mr. FULBRIGHT. Mr. President, I have also an editorial from the Great Falls (Mont.) Tribune. That is an interesting editorial. The Montana Senators have been very active in their opposition to the pending legislation. I ask unanimous consent to have that editorial printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MARGARINE CONTROVERSY PERSISTS

Montana has a producing interest in the controversy over regulation and special taxes on oleomargarine. That producing interest is on the side of butter. But, as is the case in other States, Montanans have a consumer interest in margarine because of the price differential. A good share of the butter-oleo controversy has approached the ridiculous, and the average observer is inclined to disregard most of it and put the whole thing down as a trade fight, pure and simple.

Ever since Congress failed last year to complete action on a repealer of taxes on margarine the butter people have been devising new strategy. Now they are recommending an outright prohibition on the making of yellow margarine. Most consumers are likely to agree with this sentiment, expressed in a recent New York Times editorial:

"The heavy discriminatory tax on colored margarine has not succeeded in preventing the greater use of uncolored margarine, and neither will an unfair prohibition against coloring margarine at the plant, which the butter lobby now proposes in a 'compromise' last-ditch fight in which they have at last conceded failure on the unfair tax.

"The public wants its margarine colored yellow. The butter producers themselves use artificial coloring, at least at certain seasons, to make the appearance of their prod-

uct more attractive. The housewife is entitled to emancipation from the chore of coloring her own margarine in the kitchen. Enact whatever law is necessary to protect the consumer, in store or restaurant, from being deceived as to what he is buying. If the decline of butter consumption affects the public welfare through unduly depressing the dairy farmer's income, then let us attack that problem directly through general legislation."

Mr. FULBRIGHT. Mr. President, I have another editorial in which I believe the Senators from Nebraska might be interested. It is published in the Omaha World-Herald under date of April 4, 1949. I am sure the senior Senator from Nebraska [Mr. BUTLER] and the junior Senator from Nebraska [Mr. WHERRY] know well the importance and good judgment of what I believe is the only, and surely the leading, newspaper of Omaha and, I presume, the leading newspaper of the State of Nebraska.

Mr. BUTLER. Omaha manufactures more butter than does any other city in the world.

Mr. FULBRIGHT. That is a singular coincidence, because here we have an editorial on the margarine bill from the leading newspaper of the State, located in Omaha, and I understand it is a leading Republican newspaper, so it is not tainted with any southern or foreignisms. It has this to say about the margarine bill:

The bill passed by the House to repeal taxes that discriminate against oleomargarine was a good one.

The House turned away from the latest slick trick of the dairy bloc—to prohibit the shipment of colored margarine in interstate commerce—and voted a straight-out repealer. It provided that restaurants that serve margarine announce this fact and serve it in triangular pats—a reasonable enough provision.

The Senate should now pass the bill and end, after 70 years, an unjustified "domestic tariff" that has favored one wholesome food product at the expense of another.

Mr. President, I commend the Omaha World-Herald very highly for its ability to be objective in a matter of this kind, even though Omaha is the largest butter-producing city in the world.

Mr. President, I now ask unanimous consent to have printed in the RECORD various other editorials. Most of them are short. They are, I believe, representative of every State whose Senators are opposing the removal of the restrictions on margarine. Some may say that is a rather strange coincidence, but the fact is that the newspapers throughout the country, feeling that it is their duty, and I think properly so, to represent the public opinion, are almost uniformly in favor of repeal of the restrictions on margarine. They are not unanimous in the sense that all of them are for removal of the restrictions, but they represent about the same proportion there was in the recent election in Ohio, the election in which a majority of almost half a million people—I think it was a better than 3-to-2 majority—voted to repeal the restrictions.

Mr. President, I ask unanimous consent that the editorials may be printed at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Manchester (N. H.) Leader of May 26, 1949]

COLORED OLEO

Oleo for the table has been treated more kindly in the New Hampshire Legislature than in Congress. Here the colored oleo bill has been approved in both branches, and will presumably become law despite the amendment, tacked on by the senate, requiring that it be identified when served in public eating places.

In Washington, a pro-oleo bill was passed by the House, but now is apparently lost, perhaps by design, in the Senate. That is a poor way of doing the business. The oleo bill was vigorously fought in the national House, but won out. It should be given its fair chance of final enactment—at long, long last.

[From the New York World-Telegram of July 11, 1949]

MARGARINE REPEAL

In all the legislative schedules and "must" lists put out from Washington on the assumption Congress is going to adjourn July 31, we see nothing about the margarine-tax repeal bill.

Remember the bill that was going to permit the Nation's 31,000,000 housewives to buy yellow margarine without having to pay a heavy, unjust, and discriminatory Federal tax? It was passed by the House of Representatives by a 287-to-89 vote. It was favorably reported by the Senate Finance Committee. President Truman has advocated repeal of the margarine taxes and license fees. But where is the repealer?

Senate Majority Leader SCOTT LUCAS said 6 weeks ago he hoped to bring it up for Senate vote—there is good prospect it would be passed if it could get to the floor—but nothing has been done. Now the bill is competing for place with a host of other important measures in the preadjournment bottleneck.

But there is still time to get Senate action on the margarine bill if housewives will make themselves heard. Let your Senator know in no uncertain terms that the repealer must not die on the eve of success.

[From the Oregon City (Oreg.) Enterprise of June 30, 1949]

SENATE SHOULD ACT ON MARGARINE

The House in Congress has recently, again, passed a bill to repeal the law placing a Federal tax on margarine and prohibiting sale except with a penalty when colored, but there is no assurance the Senate will even take up the bill. Thus, the effort to place margarine where it should be in the economy is stymied.

The public, in these times of extraordinary, high prices and endless price supports for the agricultural economy, we believe is heartily interested in having margarine, colored, at its lower cost, available without a penalty tax—a tax strictly to protect the butter industry. If butter could be kept down in price there might be some reason to let things stand, but butter was out of reach of millions and still is in generous quantities. It is economically cheaper to produce margarine and the public should not be denied it. Now, the public may have it of course by paying a penalty tax, that is strictly protective, but in most places the public has to color the product by a laborious and troublesome process. It should not be necessary.

Thus far the butter industry has not produced a convincing argument why the public should be penalized. Margarine is now made with vitamin values; it figures in the entire national economy through the work it provides, the shipping it brings and in many

other ways. It is not a parasite on the economy.

The pressure is powerful and influential on the Senate. But the House withstood it not only now but in past years. Passage of the measure is in the public interest. The farmers are not as opposed to the measure as the butter manufacturers. Some way should be found to force the issue to the floor of the Senate, or the public clearly told why it is stymied.

[From the Salt Lake City Tribune of May 12, 1949]

CONSUMER TAKES HAND IN MARGARINE FIGHT

The Senate Finance Committee voted last week to approve the Poage bill (H. R. 2033), previously adopted by the House of Representatives, to free oleomargarine from the Federal restrictions it has been under for more than 60 years. The measure is expected to be brought out on the floor for debate within the next 2 weeks.

This is where we came in, for a similar bill was advanced this far last year, but never came out on the floor. The dairy interests received such a scare, however, that they retreated from their traditional demand that the tax be retained on margarine. Then they concentrated on a program of banning from interstate commerce all yellow margarine. The House Agriculture Committee, dominated by the dairy industry for 50 years, recommended the ban this year.

When the bill reached the House floor, however, it was passed with amendments repealing all taxes and requiring public eating places serving colored margarine to do so in triangular pats and to post notice to that effect on menus. It is very likely that what they hear from their constituents will have much to do with what the Senate does with the problem.

For more than 60 years the butter-margarine tussle was considered by most citizens as a struggle to keep a substitute from posing as a genuine product. That argument has largely been disproved. Scientific reports showing one product as good as the other and the boost that oleo received during the wartime scarcity of butter caused the public to realize it, too, had an interest in the fight.

Housewives discovered that they not only were paying high prices for butter, but were being taxed to supply subsidies to maintain high prices of butter. In addition, many States, including Utah, levy taxes on oleomargarine. And the housewife is still required to go through the messy job of coloring the spread. From statistics at hand, it appears that the margarine industry is not suffering. It is the housewife who is the victim, the abused one, in this three-way ruckus.

Most consumers who can afford it very likely will go on preferring butter and there are other paying markets for the dairy industry, notably fresh cream. But the housewife and the consumer are entitled to relief from unnecessary restrictions.

[From the Rutland (Vt.) Herald of July 16, 1949]

OLEO FORGOTTEN?

Tremendous pressure was placed on the Eighty-first Congress to bring about repeal of Federal tax restrictions on margarine. Consumer groups and others did all they could to bring about favorable action. Oleo tax repeal was one of the objectives of the Truman program, but it also had the support of many Republicans.

As of July 1, this year, Congress as a whole had taken no final action on the measure. It was passed by the House by a 287 to 89 vote. It was favorably reported by the Senate Finance Committee. But the Senate has yet to act—and the time is short.

Congress is rushing to adjournment; some say by the end of this month. This means a flood of last minute business—and a chance that oleo tax repeal may be side-tracked or forgotten.

Will history repeat itself? Through the years there have been repeated efforts to get Congress to remove restrictive controls on margarine. Until the Eightieth Congress these efforts were blocked by the powerful House Agriculture Committee which would not permit the bills to reach the floor.

The Eightieth Congress was an exception. The bill was forced out of committee and overwhelmingly approved by the House. It was stifled in the Senate.

While the Senate Finance Committee of the present Congress has reported the bill favorably, it must be approved by the Senate. But there's no word that the Senate will act on this measure in the pressure of last-minute business before adjournment.

Housewives have a special interest in seeing that the bill is acted upon. It was their protests against discriminatory Federal oleo taxes that did so much to bring the relief measure to its present position. But unless the bill becomes law, relief will not be forthcoming.

The bill would permit the Nation's 31,000,000 housewives to buy yellow margarine without having to pay a heavy, unjust, and discriminatory Federal tax. It would relieve them of the chore of coloring margarine themselves, so far as Federal regulations are concerned.

While similar restriction-removing laws in various States would also have to be enacted, Congress must start the move. And Congress has not done so.

[From the Seattle (Wash.) Argus of May 14, 1949]

UNABASHED DISCRIMINATION

Few more transparently discriminatory and patently senseless pieces of legislation persist as the law of the land today than the 63-year-old Federal laws covering the manufacture and sale of a legitimate food product which happens to be in competition with butter—oleomargarine. The restrictions on oleomargarine have been so obviously designed to serve the selfish interest of the relatively small group of producers in certain limited areas who contribute to the production of butter that one might almost expect the butter lobbyists to give up the fight against oleo simply from self-consciousness. After all, they've had things their own way for a good long time, considering that the rival product is the absolute equal of butter, in cleanliness and nutritional value, at least, if not in taste. The fear of the dairymen's organizations lest their product lose out in free and open competition with the cheaper substitute bespeaks an uncertainty in the dairymen's own minds as to whether the merits of butter are really recognizable by the public.

Washington State is, of course, among those in which the dairy industry is most important; and thus it is explainable, if not entirely excusable, that among the many failures of the State's recent legislative session was the failure to abolish, or at least modify, our outmoded antimargarine restrictions. It no longer accords with our idea of serving the national welfare that the Federal Government and 18 States, including Washington, should perpetuate sectional and special interest protective devices at the expense of the myriad consumers of the country as a whole, especially when the devices set farmer against farmer, as these do.

For the second time in as many sessions, Congress seems close to acting decisively to end the antimargarine restrictions. The Poage bill (H. R. 2023) has passed the House by an overwhelming vote and is at this writ-

ing still to be acted on by the Senate. If the upper House does not let the legislation die in committee as it did in the preceding session, it will probably pass there also. The Poage measure would, if passed, abolish all the restrictive Federal taxes and license fees obstructing the free supplying of the market with margarine and would permit interstate shipment and sale of the product in precolored form. The bill does require that margarine is to be labeled for what it is and that it is to be distinguished from butter, if served in restaurants, by presentation in triangular shapes. The bill specifies that it shall not supersede existing State legislation covering the sale of colored oleo.

Merritt M. Nash, dairy farmer from Fall City, recently created something of a Nation-wide sensation by appearing before the Senate Finance Committee in behalf of a view that was explicitly disavowed, subsequently, by the lobbying organizations which presume to speak for dairy farmers. Said Farmer Nash: "I don't want to have to rely upon this crutch, this restrictive legislation, these unwarranted taxes, these color restrictions that we are imposing against a competitor, a legitimate competitor who is producing and distributing an American farm product."

"I don't need that crutch. * * * As a matter of fact, our present policy of restricting the other fellow has not increased our sales of butter, but our sales of butter have actually been going down." With a little more such disinterested encouragement, the Senate ought to be enabled to see its way clear to taking Government this little way out of a field of regulation where the results have been anything but favorable to either consumers or the competitive system. Personally, we think well enough of butter to believe it will maintain its popularity in competition with the lower-priced product.

[From the Oshkosh (Wis.) Daily Northwestern of May 19, 1949]

SHOULD REPEAL OLEO LAW

Although efforts were made to induce the Wisconsin Legislature to take off the punitive taxes levied by the State on the sale of oleomargarine and which adversely affect manufacturers, wholesalers, and retailers, to date there continues to be a sufficient opposition among the lawmakers to prevent repealing the prohibitions that prevent ready-colored oleo being made available to consumers.

While many States allow yellow margarine to be sold, there is still a group of States that will not allow oleo colored yellow at the source of manufacture to enter State trade. Wisconsin is one of these latter and the pressure exerted by the dairy interests and dairy lobbyists apparently is too powerful to be overcome.

But eventually, we are convinced, yellow oleomargarine will win the day and Wisconsin will relax its discriminatory restrictions in the matter of taxes, license fees, and color, so that the vegetable product will be on its own as to proving its merit in free competition with butter.

The fight to throw aside the Wisconsin law against colored margarine will go on and should be pushed by those interested in giving oleo a chance to compete with butter on equal terms.

In Illinois a situation somewhat similar to that existing for a long term of years in Wisconsin has prevailed. But the oleo interests are battling on to get a law that will be fair to oleo and fair to butter. On this matter, the Chicago Daily News says:

"A bill to repeal existing State laws against colored margarine is before the house agricultural committee at Springfield. It offers adequate protection to the public against

sale of margarine as butter, but it is being opposed on the phony old argument that butter has a vested interest in yellow coloration as applied to spreads.

"In the interest of the people of Illinois the legislature should pass this bill, removing the punitive restrictions on oleomargarine."

"Fortified with vitamins, as most commercial oleomargarine is, it is a healthful food, little different from butter and much cheaper. Many persons who cannot afford butter can get the food values necessary to a balanced diet from margarine. They should not be forced to pay an excessive tax. They should not be forced to color the margarine themselves."

In a statement presented some time ago by Senator J. W. FULBRIGHT, of Arkansas, of the Senate Finance Committee, the Senator, in discussing bills placed before the committee that deals with oleomargarine, said among other things:

"One measure is H. R. 2023, by Congressman POAGE, of Texas, which passed the House on April 1. This bill, similar to my own, S. 117, repeals all Federal taxes and excises on margarine. In addition it contains provisions intended to prevent fraud in the sale of margarine in public eating places.

"Another measure, in the nature of a substitute for H. R. 2023, sponsored by 26 Senators, proposes to confine the manufacture and sale of yellow margarine to intrastate commerce. For purposes of identification only, I shall refer to this measure as the Wiley bill.

"The Wiley bill, by contrast, contains no provisions whatever with regard to the identification of margarine in public eating places.

"Both the Poage bill and the Wiley bill would permit the sale of yellow margarine in exactly the same areas—the States which do not prohibit the sale of yellow margarine. The Poage bill would protect the consumer against deception; the Wiley bill gives him no protection and takes away protection he now has. If I were a dairyman and were concerned about competition from margarine, I would support the Poage bill in preference to the Wiley bill.

"Margarine, either yellow or white, is a perfectly good and wholesome product. It is made from domestic farm products and is manufactured in the United States. Housewives want to buy it already colored. They should have that privilege.

"It is time, and past time, to repeal these un-American Federal antimargarine laws and to pass on to other things."

Mr. FULBRIGHT. Mr. President, a great deal has been said in the debate by various speakers opposing the removal of restrictions, about polls, this poll or that poll, conducted by some private poll organization, at the request, I am sure, of the butter organizations. But, after all, there is only one poll with which we in the Senate are thoroughly familiar, and on which we rely, and that is the elections in the States. That is how we get here. That is the only poll we can count on as being accurate and reflecting the real views of the people. In every one of such polls with which I am acquainted, and especially the latest one in Ohio, a not insignificant State, a very important dairy State—and there is no question about anyone conducting it for a special purpose or being influenced by any employer—we have the answer as to what the American people want, and I think those election polls can be accepted as fair examples of how the American people generally would

vote on the question. The Ohio poll was not a sample poll. Nearly two and a half million people voted in that election on the issue of whether or not the restrictions upon colored margarine should be removed.

Mr. President, for the RECORD I desire to point out one or two other effects of the Wiley amendment if it shall be adopted. It is contended that it would be a very simple matter to establish margarine plants in the various States. I think those who make that contention are, in a way, trying to hold out the idea that a Senator who votes for the amendment is thereby bringing a plant into his State. Of course, that is a complete non sequitur. There are many other kinds of industries which it would be more profitable to bring into the various States. The same thing, for example, could be done in connection with the automobile industry. Certainly if each State should have a margarine plant there ought to be an automobile plant in every State. It is a larger industry than the oleomargarine industry. In dollars and cents value it is a greater industry than the oleomargarine industry. If the principle is sound, it ought not to be confined to margarine.

But here is what has happened in some of the States. It has been estimated—fairly accurately, I think—that a plant should have a potential market of approximately 5,000,000 people. Of course not all of them would buy oleomargarine. But that is about the number which I am informed normally would be required in order to supply a market for an average-sized plant.

I shall mention the States which at the present time do not have any plant in which yellow oleomargarine could be manufactured under existing law—and certainly the bill proposed by the committee does not specifically say that the States shall not have the right to determine whether yellow margarine—or any margarine, for that matter—shall be sold or made within their borders. Idaho has no plant. It is a State, if I recall correctly, with a population of approximately half a million. I think it is perfectly absurd to say that a margarine plant could economically be started there. Such a plant simply would not be economical. But if one were started, the margarine would have to be sold at a very high price. Of course, I assume it is one of the objectives of the proponents of the Wiley amendment that if oleomargarine were made at such a plant in Idaho, it would have to be sold at a price of \$1 a pound, if it could be made and sold at all. But certainly it could not be sold from a plant there, with the market existing in the State, at anything like the present price.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CORDON. Does the Senator think it would be difficult for a plant in Idaho to mix a little yellow pigment with the white oleomargarine already going into that State? That is all the amendment would require.

Mr. FULBRIGHT. I made inquiry about that, and there are very grave

doubts as to whether that would be a compliance with the proposed statute.

The next point—and it is a very important one—is that one of the things oleomargarine especially prides itself on is the purity of the product. We are told that it is not shipped in containers of this kind or that kind; we are told that in a modern oleomargarine plant, after the oil is pumped from the tank cars, from then on the process is a completely mechanical one which is not exposed to the air or to handling by persons who might contaminate the product with any kind of filth or dirt or anything of the sort.

But, Mr. President, if oleomargarine were shipped in tubs or other containers, it would run a very serious risk of being removed from the possibility of controlled quality; and I think that would be a very uneconomic process. But even if that problem were solved, such a process certainly would add substantially to the cost of oleomargarine.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. CORDON. I would say, first, that as between the shipment of yellow oleomargarine in interstate commerce, on the one hand, and permitting it to be shipped uncolored, and subsequently colored in the several States, on the other hand, there is to my mind very little difference.

However, it would appear to me also that if the housewife can color white oleomargarine yellow by a little squeezing of yellow coloring into it, certainly Lever Bros. and others might be able to do so with equal facility and at least in reasonably sanitary fashion.

Mr. FULBRIGHT. I do not doubt that it could be accomplished.

The main point I was making about Idaho is that certainly the establishment of an independent plant for that purpose in Idaho would add considerably to the cost of the product in that area, and the market available would not support a complete plant there. If there were an answer to that situation, it would have to be along the line suggested by the Senator from Oregon.

But when we contemplate that kind of situation, what earthly good would the restriction proposed by this bill do the dairy people or to anyone, by forcing a plant in California—let us assume there is a plant in California—to make oleomargarine in white form in California, then ship it to another State, and then have the white oleomargarine colored yellow there? What would be the sense of doing that?

Knowing how very experienced the sponsors of the amendment are and how very successful they have been over the years in throttling oleomargarine, the suspicion developed in our minds that after the adoption of their amendment, they would insist that it prohibited the very thing the Senator from Oregon has suggested. I do not know. That point will have to be left for decision by the courts and by much better lawyers than I am.

But if it would be easy, as the Senator from Oregon suggests—and that may be

possible—to have the plant in the State simply color the oleomargarine yellow, then there is no sense at all in putting this restriction into the law. It would be perfect nonsense. The only excuse which could be had for putting such a provision in the law is that it would prevent any easy coloring of white oleomargarine and any easy evasion of what the proponents of the amendment want.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield, but I wish to finish my remarks in a few minutes.

Mr. WILEY. The Senator from Arkansas is not so naive as all that. He knows that the purpose is to prevent the unfair practices which have been engaged in by the oleomargarine interests—practices deceiving people by the coloring of oleomargarine to look like butter.

Mr. FULBRIGHT. I yielded for questions, not for a speech.

Mr. WILEY. I asked whether the Senator was so naive as he claimed to be.

Mr. FULBRIGHT. I was not claiming to be naive.

Mr. WILEY. Then the Senator's words belie his own arguments.

Mr. FULBRIGHT. All I say is that the dairy organization has been the most efficient of any I know of anywhere in the world in its activities in preventing or delaying a decision in the Senate on this matter. Certainly it has been most efficient in delaying the decision. I was paying a compliment to the Senator from Wisconsin and to Mr. Holman and to their associates, because I know of no one else who has been able to protect a relatively small and specialized interest, and to make all the rest of the country pay for it. I do not know of a similar case.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question only, not for a speech.

Mr. WILEY. Does the Senator know that in 1948 the organization which is alleged to have spent \$6,000,000 to get the people in the mood the Senator thinks they should be in had no organization at all?

Mr. FULBRIGHT. I know that that is not the truth. I have heard the Senator make that statement on this floor time and time again.

Mr. WILEY. Then the Senator from Arkansas did not listen yesterday to the proof.

Mr. FULBRIGHT. I know that the inspiration for most of the editorials, for example, that I just put into the RECORD did not come from any organization, but came from the debates in the House and in the Senate. I always maintain that one of the greatest mistakes, and the only one I can think of, of the butter organization was to precipitate this legislation and to oppose it as long as they did, and thereby give the oleomargarine producers what I would consider conservatively to be \$10,000,000 worth of free advertising for which they did not have to pay. The editorials which I put into the RECORD were not paid for; I think the Senator from Wisconsin will agree with that statement.

Some of them come from newspapers published in his own State. They were printed because of the public interest in these matters; and that was a very great mistake on the part of the butter interests. If anyone had had to purchase that kind of advertising it really would have run into money.

Mr. President, I wish to mention a few other States as illustrations. The State of Nevada had a population, at the last census, I believe, of approximately 150,000. It would be in the same situation. New Mexico, Arizona, Colorado, Oklahoma, Mississippi, Florida, Kentucky, Virginia, West Virginia, New Hampshire, Maine, Massachusetts, and Rhode Island are other States which, under the Wiley amendment, although they now permit the sale of yellow oleomargarine, would then be prohibited from importing it. That is the best comment I know how to make on the other phony theory that the substitute amendment is a States' rights amendment. Under that amendment, by affirmative Federal legislation, States which now are enjoying the privilege of using yellow oleomargarine would be prevented from using it or having it, unless someone—and we are not told who that would be—would build in those States plants for the production of oleomargarine.

I do not know whether the proponents of the amendment are proposing—they may be, of course—to have the Federal Government finance the building of such plants. I suppose that would be the next step, namely, to have the Government say, "We will build it with RFC money."

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. WILEY. I wish to know if the same logic applies for filled milk.

Mr. FULBRIGHT. What logic?

Mr. WILEY. I refer to the Senator's statement that there should not be this prohibition against interstate shipments of colored oleo.

Mr. FULBRIGHT. I think the Filled Milk Act was a complete violation of fundamental principles. I think it was erroneous. But that is water over the dam, by now.

Mr. WILEY. Then, the Senator disagrees with the decision of the Supreme Court of the United States.

Mr. FULBRIGHT. The distinction between that case and this one is that in the filled milk case the advocates of that measure were able to get the Congress to make a positive finding that filled milk was deleterious to health and dangerous to public health and safety, and so forth. But the proponents of the amendment in the nature of a substitute have really backed up on that argument in this case, for no serious effort is now being made to say that oleomargarine is bad for health.

I think that law was absolutely wrong and that finding was wrong. But that is not an issue here.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question. I should like to finish my remarks, if I may.

Mr. WILEY. The Senator from Arkansas said that 15 minutes ago.

Mr. FULBRIGHT. I did not realize that the Senator from Wisconsin would interrupt me every 5 minutes. If he will calm down and permit me to conclude, I shall be through in 5 minutes' time.

Mr. WILEY. I did not interrupt the Senator from Arkansas until some time after he said he would be through in 15 minutes.

Mr. FULBRIGHT. I did not say I would be through in 15 minutes or at any other time if I was interrupted constantly.

Mr. WILEY. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield for a question only.

Mr. WILEY. Does the Senator say that the Supreme Court decision in the filled milk case was based on the proposition he has stated?

Mr. FULBRIGHT. I said I thought the Filled Milk Act was a bad act, an act violating the fundamental principles of our free economy.

Mr. WILEY. Very well. The Senator avoids the answer.

Mr. FULBRIGHT. The Senator understands what I mean, does he not? I think it is a bad act, just as I think the Oleomargarine Act is a bad act, violating the fundamental principles of our free economy. That brings up a point, since the Senator referred to it. I have but a very short statement from the original case in the Supreme Court of Pennsylvania. I do not want to discuss it at length. It is also water over the dam, and we know how the court held, but I wish to quote briefly from the opinion of Mr. Justice Gordon. I want to make it clear that it was a dissent, but he states very well what I think is an appropriate comment on that act, and upon the Filled Milk Act, for that matter, although this was long before there was a Filled Milk Act. I wish to quote but one paragraph. He is referring to the original Oleomargarine Act, and to its application within the State of Pennsylvania. It is the first case, I believe, which tested the act in Pennsylvania, which prohibited this perfectly good food. Mr. Justice Gordon said:

A glance at this act shows its purpose was to protect the dairyman at the expense of the consumer. Cannot a pure, wholesome butter be made from some other oil than that extracted from milk? Certainly it can. The chemist has discovered that it may as well be manufactured from the fat of the cow as from the fat of her milk.

Originally oleomargarine, I may say, was made from beef fat.

This wonderful act of 1885 will allow us to eat it (oleomargarine) as a substitute for pork, or beef, or bread; or a substitute for anything but butter * * * It looks much more like a regulation passed for the welfare of the dairyman without regard to the welfare of the balance of the people. Class legislation, that political curse which the framers of the Constitution endeavored to prevent. * * * We * * * are establishing a precedent of the most dangerous character. * * * A doctrine which must necessarily be found on the ruins of the Bill of Rights. A chemist has discovered a process by which an important article of food can be manufactured more cheaply than by the old

method. * * * Naturally we might suppose that this inventor would be hailed as the benefactor of his race since he has thereby added much to the happiness of the laboring class of people. But no, say our lawmakers; he is a malefactor, and shall not make or sell his product.

I turn now to a dissenting opinion written by Mr. Justice Field in the Supreme Court of the United States. I think it is useful for the RECORD, because there is much misapprehension about the character of the act. It has been on the books so long that everyone has assumed that, because it is old, it must have validity. But in this case that does not apply. Mr. Justice Field, in the United States Supreme Court, One Hundred and Twenty-seventh United States Reports, page 678, said:

The right to pursue one's happiness is placed by the Declaration of Independence among the inalienable rights of man, with which all men are endowed, not by the grace of emperors or kings, or by the force of legislative or constitutional enactments, but by their Creator, and to secure them, not to grant them, governments are instituted among men. The right to procure healthy and nutritious food, by which life may be preserved and enjoyed, and to manufacture it, is among those inalienable rights, which in my judgment, no State can give and no State can take away except in punishment for crime. * * * A law does not necessarily fall under the class of police regulations because it is passed under the pretense of such regulation, as in this case by a false title.

I think that is exactly the correct situation with regard to the margarine legislation, which has been on the statute books so long.

Mr. President, I now ask unanimous consent to insert as a part of my remarks certain material found in a document compiled by Anton J. Carlson, Ph. D., M. D., of the University of Chicago. First, there is the foreword to the revised edition, reading as follows:

FOREWORD TO THE REVISED EDITION

Requests for this compilation have been so numerous that in less than 2 years the relatively large number of copies printed has been exhausted. In the meantime, competent investigators in three university laboratories—University of Wisconsin, University of Illinois, University of Southern California—have verified the past record of all mammals as well as the prediction in my 1943 prefatory remarks: Normal growth, health and life after weaning can be sustained without butterfat in the diet. In fact, the accelerated growth induced by an excess of the growth hormone can be sustained by diets containing fats other than butter. These significant findings are included—in abstracts—in this revised edition.

The facts at hand today eliminate all questions as to the nutritive value of vitamin A fortified margarine as compared to butter, except as to the question of flavor. But the restrictive laws—Federal and State—touching the production, distribution, and consumption of margarine are still on our statute books, and still render it more difficult for many people to secure adequate nutrition.

ANTON J. CARLSON.

UNIVERSITY OF CHICAGO, August 1945.

From the prefatory remarks on page 3, I desire to insert in the RECORD the following:

1. While milk is not an essential food, it ranks among the best foods for man. The common view that the main food value in milk is in the butterfat is an error. The

other components—proteins, salts, vitamins—found in the skim milk are at least as important for human nutrition as is the milk fat—cream and butter.

Turning to page 5, there is an article entitled "Report on Butter Substitutes" from which I desire to quote the following:

From a nutritional viewpoint, when it is fortified with vitamin A in the required amount, oleomargarine is the equal of butter, containing the same amounts of protein, fat, carbohydrates, and calories per unit of weight. Moreover, since the minimum vitamin A content of enriched oleomargarine is fixed and the amount of this vitamin in butter may range from 500 to 20,000 units per pound, enriched oleomargarine is a more dependable source of vitamin A than is butter. Since it is a cheaper product than butter, fortified oleomargarine constitutes a good vehicle for the distribution of vitamin A and fats to low-income groups and should therefore be made available to them.

Under the standards set by the Food and Drug Administration, oleomargarine is as clean and sanitary a food as butter. The two products are likewise equal in digestibility. Their relative palatability is a matter of individual taste.

On page 7 there is an extract from a report on margarine by the Food and Nutrition Board of the National Research Council. I ask that it be printed in the RECORD at this point in my remarks.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

V. SUMMARY

1. Margarine fortified with vitamin A in accordance with Food and Drug regulations supplies an important amount of this nutrient as well as of much-needed fat. A previous recommendation of the Food and Nutrition Board that all margarine be fortified is reaffirmed. Because of the high proportion of margarine now fortified, mandatory requirement of fortification for all margarine for table use seems unnecessary at present, though it may become desirable if the situation changes in such a manner as to reduce importantly the proportion now fortified.

2. The present available scientific evidence indicates that when fortified margarine is used in place of butter as a source of fat in a mixed diet, no nutritional differences can be observed. Although important differences can be demonstrated between different fats in special experimental diets, these differences are unimportant when a customary mixed diet is used. The above statement can only be made in respect to fortified margarine and it should be emphasized that all margarine should be fortified.

3. It is obvious that the present excise and license taxes imposed by both Federal and State Governments on margarine interfere with the distribution and utilization of certain of our fat resources, but the implications of these taxes are so extensive and complex that no recommendation with respect to them can be made in this report.

Mr. FULBRIGHT. From the same publication, page 11, I offer for the RECORD the following:

EXTRACT FROM VI. GROWTH AND REPRODUCTION OVER 10 GENERATIONS ON SHERMAN DIET B WHERE BUTTERFAT WAS REPLACED BY A MARGARINE FAT

(By Harry J. Deuel, Jr., Lois F. Hallman, and Eli Movitt, Department of Biochemistry and Nutrition, University of Southern California School of Medicine)

SUMMARY

Experiments are reported on reproduction and growth of 10 generations in which the

lineage is through the first litter and of 8 generations in which the lineage is through the second litter where the diets have been a modification of the Sherman B diet in which butterfat has been replaced by vitamin A-fortified margarine fat. The growth rate considerably exceeded that obtained with animals on our stock diet and progressively improved with the later generations. Somewhat faster growth was obtained with the first litter rats than with those in the second litter group. It is concluded that a vegetable fat such as that contained in a margarine can serve adequately in place of butterfat for growth and reproduction on a diet otherwise nutritionally satisfactory.

From the same document, page 12, I ask unanimous consent to have printed in the RECORD at this point in my remarks the matter appearing on the lower half of the page.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXTRACT FROM FURTHER STUDIES ON THE COMPARATIVE VALUE OF BUTTERFAT, VEGETABLE OILS, AND OLEOMARGARINES

(By R. K. Boutwell, R. P. Geyer, C. A. Elvehjem, and E. B. Hart, Department of Biochemistry, College of Agriculture, University of Wisconsin)

"On the mixed carbohydrate diet, such as man ordinarily consumes, there was no conclusive evidence that oleomargarines were inferior to butterfat. In fact, some oleomargarines showed slight superiority and there was quite as much variation among oleomargarines as between the butterfat and the oleomargarines. If 6 weeks of growth of the rat at a rapid stage of its development can be used as the criterion of adequate nutrition, then certainly these oleomargarines compare favorably with butterfat. Whether this deduction is entirely sound can be answered only when growth to maturity and reproduction are studied experimentally."

SUMMARY

1. With lactose as the sole carbohydrate in the diet, rats showed superior growth when fed butterfat or lard as compared to corn oil, coconut oil, cottonseed oil, soybean oil, peanut oil, olive oil, and hydrogenated cottonseed oil.

2. With a mixture of carbohydrates composed of sucrose, starch, dextrose, dextrin, and lactose in the diet, the average growth response of the animals fed vegetable oils was equal to that of the animals fed butterfat and lard. The growth rate on this ration was more rapid than when all of the carbohydrate was present as lactose.

3. Properly fortified oleomargarine fats gave growth equal to butterfat over a period of 6 weeks when the above mixture of carbohydrates was incorporated in the rations.

4. Properly fortified oleomargarines did not give growth equal to butterfat when lactose was the sole carbohydrate in the diet. On such a regime rats fed butterfat grew slightly better than rats fed oleomargarines of animal origin, fat decidedly better than rats fed oleomargarines of vegetable origin.

Mr. FULBRIGHT. In the same document, at page 14, there is an article entitled "Oleomargarine," an editorial from the Journal of the American Medical Association. I ask unanimous consent to have two excerpts from the article printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Deuel and his associates found that growing rats could use either butterfat, various vegetable fats, or margarine with equal ease. The animals grew equally well, as shown by

increase in weight and increase in bone length, whether their dietary fat consisted of butterfat or of margarine. In addition, Deuel made careful analyses of the rats maintained on diets containing the various fats and found that there was no difference in the protein, lipid, ash, or water content of the tissues of the animals. Then Elvehjem and his associates showed that margarine permitted satisfactory growth in rats when the carbohydrate of the diet was glucose, sucrose, starch, dextrine, or a mixture of them, whereas, when lactose was the sole carbohydrate of the diet, the rats grew better when butter or lard rather than oleomargarine was the fat used.

Vegetable fats such as those used in margarine, the evidence proved, can serve adequately in place of butterfat in regard to growth, reproduction, and lactation on a diet which would be otherwise nutritionally satisfactory.

Mr. FULBRIGHT. I believe those are the only articles I wish to insert at this time. I merely want to add one further thought. I think much of the argument and debate on the pending subject has gone off on a sort of incidental matter. The real question of interest to the Senate, as it was to the House, is not the relative importance of the prosperity of a relatively few butter producers, even accepting the exaggerated claims of those who have stated how very important the industry is. The facts in the record will show that it is of minor importance compared to the over-all importance to the dairy industry itself. Even the proponents of the amendment I think stated recently that approximately 25 percent of the milk is used in butter.

Mr. WILEY. Twenty-nine percent.

Mr. FULBRIGHT. In many States, it is very small. The real matter of argument is the interest of the consumers of the country, and as I stated before, in every election where the question has been submitted to the people, they have voted overwhelmingly to get rid of the restrictions on a perfectly legitimate and healthful food product. The restrictions constitute a nuisance and are costly to them. It is costly to the poor man not to have this item of food available to him.

Much attention has been given to the tax of 10 cents a pound. In my opinion the tax on the retailers is much more effective to throttle the industry than the tax of 10 cents a pound, since less than 10 or 12 percent of the retailers will even handle yellow oleomargarine, because of the restrictions with regard to reporting, which are very onerous. It brings complaints similar to those we heard in the days of the OPA. They simply are not going to put up with the nuisance of keeping track of every pound of margarine and reporting it. That is one of the principal reasons why it has not been available. So when the proponents of the Wiley amendment so graciously give up their position with regard to taxes, and then in the next breath seek to restrict the shipment of oleomargarine, they do nothing at all to promote freedom in the handling of this food, or to make it available to the people who want it. I hope the Senate will not support the so-called Wiley amendment.

Mr. CORDON. Mr. President, I have on the desk an amendment which is pro-

posed to be offered to the amendment in the nature of a substitute which is to be voted upon on next Tuesday. I would not take the time of the Chair and of my three or four colleagues now present on the floor were it not for the fact that I understand there will be no session of the Senate on Monday and this is my last opportunity to have the RECORD indicate even an elementary outline of what I take to be the cogent reasons why my amendment should be adopted.

My friend from Arkansas [Mr. FULBRIGHT] has been dwelling upon the tax on oleomargarine as being a nuisance tax, a troublesome tax, an expensive tax to the manufacturer of oleomargarine. I wish to call attention to a real nuisance tax, to a tax which is really troublesome, a tax which is really expensive to collect, a tax which is really founded in injustice.

The purpose of the bill is to repeal the excise tax on oleomargarine. Germane to that purpose is the repeal of any excise tax. The sponsor of the proposed substitute has accepted and made a part of the substitute an amendment to repeal certain so-called wartime excise or nuisance taxes. For some reason which I do not know, the most onerous, the most unjust of those several nuisance taxes has not been included in the list. I refer to the transportation tax on property. While that tax was enacted into law in 1942 and the balance of the nuisance or wartime taxes were enacted in the following year, 1943, the transportation tax on property is nonetheless a wartime tax, and more than any of the other taxes it fails in having any logical basis and it fails in answering any of the logical tests for equitable taxation. It is not, in fact, a tax on transportation. It is not a tax on persons. It is a tax on distance and nothing else.

This tax, Mr. President, will, for instance, result in discrimination which increases with the distance the taxpayer is located from the point of his market. I live on the Pacific coast and represent a State on the Pacific coast. Because the people in that State are 2,000 miles from manufacturing centers of the United States they must pay a tax on manufactured articles far in excess of that paid by those persons who are nearer the source of manufacture. There is no way for them to avoid it. It is not a tax based upon the value of the article there or elsewhere; it is a tax on distance. Not only are they compelled to pay the additional tax on the property which comes to them, but, by virtue of the competitive factors involved, they are compelled to absorb a like transportation tax on what they send to the market. When their products, chiefly agricultural products, including, of course, lumber, come into highly competitive markets, the competitive factor alone requires an absorption by the seller of the additional transportation cost in order that there may be a competitive price. That fact is set out most graphically in a letter which I have recently received from one of the lumber operators in the Pacific Northwest. I shall presently ask for the inclusion of the entire letter in the RECORD, but at the moment I desire to read only some brief excerpts in the interest of saving time.

The VICE PRESIDENT. Without objection, the entire letter may be printed in the RECORD.

Mr. CORDON. This lumber operator says:

The west coast lumber industry has the following problem before it pertaining to the Atlantic coast lumber market which can become most serious to the entire industry at any time.

For the first 10 months of 1949 there has been shipped to the Atlantic coast from the west coast approximately 993,000,000 feet of lumber or about 10 percent of our west coast fir production. Of this amount approximately 816,000,000 feet came from Oregon and Washington and approximately 177,000,000 feet from British Columbia. However, during the last few months the British Columbia mills have greatly increased their shipments to the Atlantic coast to the extent that—we are informed—they have chartered approximately 18 ships that will move from British Columbia to the east coast during December, January, and February.

The reason for this increase is on account of their decline in their export lumber markets due, no doubt, to dollar scarcity over the world, but principally, in our opinion, due to the tremendous advantage they have in our domestic Atlantic coast market compared with American mills. This comes about in this way. American lumber must move on American ships, the present rate being \$26.50 plus 3-percent tax. British Columbia lumber can and does move on foreign ships which at present prevailing charter rates reflect approximately \$7 to \$9.50 per thousand lower freight than American freight. This together with the 10-percent Canadian dollar devaluation enables them to deliver lumber to the east coast ports at \$9 to \$11 per thousand cheaper than we.

Mr. President, the letter goes on to picture graphically the discrimination against the western mills. It suggests certain types of relief. I have referred the letter to the Tariff Commission for its comment. I think I know what the comment will be. I call attention to it only because here is exemplified the inequity of the transportation tax on property. We ourselves by that tax are increasing the subsidy of the Canadian mills. We are ourselves increasing the discrimination against our own people in the Pacific Northwest. It is not a question of a few large owners of vast amounts of timber and great sawmill properties. There are thousands of small operators, and many of them have been compelled to close their business because of this competitive situation. I do not know that the removal of the 3-percent tax would answer all their problems, but it would be at least a partial answer and would be in the interest of common equity and honesty.

Mr. President, I ask that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

C. D. JOHNSON LUMBER CORP.,

Portland, Oreg., December 15, 1949.

The Honorable Senator GUY CORDON,

Imperial Hotel, Portland, Oreg.

DEAR SENATOR: The west coast lumber industry has the following problem before it pertaining to the Atlantic coast lumber market which can become most serious to the entire industry at any time. For the first 10 months of 1949 there has been shipped to the Atlantic coast from the west coast ap-

proximately 993,000,000 feet of lumber, or about 10 percent of our west coast fir production. Of this amount approximately 816,000,000 feet came from Oregon and Washington and approximately 177,000,000 feet from British Columbia. However, during the last few months the British Columbia mills have greatly increased their shipments to the Atlantic coast to the extent that (we are informed) they have chartered approximately 18 ships that will move from British Columbia to the east coast during December, January, and February.

The reason for this increase is on account of their decline in their export lumber markets due, no doubt, to dollar scarcity over the world, but principally, in our opinion, due to the tremendous advantage they have in our domestic Atlantic coast market compared with American mills. This comes about this way. American lumber must move on American ships, the present rate being \$26.50 plus 3 percent tax. British Columbia lumber can and does move on foreign ships which at present prevailing charter rates reflect approximately \$7 to \$9.50 per thousand lower freight than American freight. This together with the 10-percent Canadian dollar devaluation enables them to deliver lumber to the east coast ports at \$9 to \$11 per thousand cheaper than we. This is aside from any lower wage rates and stumpage costs they have in manufacturing lumber compared with us which is substantial and estimated to be at least \$5 per thousand feet. The net result of the transportation and devaluation factors alone mean that they can sell lumber at say \$52 American f. a. s. mill and realize approximately \$62, or conversely they can lower their price to say \$42 and still realize approximately \$52 American. In other words they have approximately \$10 per thousand leeway to put us out of the Atlantic-coast market and still be on a profitable basis to them and probably an unprofitable basis to west-coast lumber.

It has occurred to us that probably under the present set-up in Washington nothing can be done about the devaluation advantage, probably nothing can be done about their wage and stumpage advantage, nor could any import duty be imposed to equalize the difference in cost. However, it has occurred to us that it might be possible to equalize some of these large differences by imposing an excise tax on the difference between their transportation to the east coast compared with ours. In other words, if their rates were \$6 to \$8 less than ours, then a \$6 to \$8 excise tax would be imposed on this shipment as the ship arrives at east-coast ports. This would be a flexible tax, moving up or down with the prevailing charter rates, and if at such times there was no difference in their transportation rates compared with ours, no tax would be imposed.

If such a suggestion as this were possible and practical, it would appear to be a reasonable solution under our present politics and foreign policy. First, it would not involve a duty on Canadian lumber and involve in any way our reciprocal trade agreements with all their ramifications. Secondly, it would not impose any penalty or discrimination on Canadian lumber as they would still be able to compete on the Atlantic coast under the same transportation costs that American lumber would have. Thirdly, it eliminates discussion of a controversial issue of possibly subsidizing American shipping to compete with foreign shipping to our own domestic markets. Fourth, it would bring revenue to the Federal Government without discriminating against the Canadian mills by merely pocketing the difference between foreign shipping and American shipping to our own market and putting the American mills on the same basis, insofar as transportation is concerned, as Canadian mills to our own domestic market. Fifth, this should not be an

unpopular request as it would have the full support of the lumber industry and its labor, and the full support of the American shipping interest and its maritime labor, and should not involve our foreign policy and reciprocal trade agreements as presently set up.

This approximate \$10 advantage the British Columbia mills have can at any time put the west coast lumber industry almost totally out of this important Atlantic coast market, and along with it American intercoastal shipping and maritime labor.

We shall be glad to get your ideas on this subject and suggestions of what you think might be done or might not be done to meet this problem.

With best regards, we are,
Sincerely yours,

E. E. JOHNSON,
Vice President.

Mr. CORDON. Mr. President, the transportation tax on property affects everyone. It is particularly iniquitous with reference to all agriculture and especially to the wheat farmer, the corn farmer, the cotton farmer, and those who raise crops in bulk which must have a market off the farm. I hope that when consideration is given to the amendment which has been accepted by the sponsor of the substitute he may feel that he can, under the parliamentary situation, accept this additional amendment. If that cannot be done, I desire to say now for the RECORD that I shall present the amendment at the appropriate time for action by the Senate on Tuesday. Equity in this country pleads for its adoption.

THE ADMINISTRATION'S FOREIGN TRADE PROGRAM

Mr. BREWSTER. Mr. President, I shall not delay the Senate long, as the hour is late. I am sure we all wish to return to domestic bliss, and home will look more attractive as my speech goes on. I had planned to speak briefly on this subject, which is utterly unrelated to any of the matters which have been discussed here today, but in view of the situation I feel that I should get my statement in the RECORD.

There were approximately 1,000,000 more men out of work in December than in November. That is a matter of grave concern. It brings our total unemployed in the United States now close to 4,000,000. What the Senator from Oregon has said is an indication of one factor. In my home town in Maine, a woolen mill which has operated for 100 years is this month in process of liquidation as a result of the textile problem which we are facing in New England.

I have followed with keen interest the effect upon our imports and exports of the devaluation of the British currency in September and of the acceptance of the Annecy agreements shortly thereafter, which were negotiated at Annecy, France, and were promulgated by our State Department under the reciprocal trade agreements shortly after the devaluation. I have always been puzzled as to how the Annecy agreements could be justified after devaluation if they were just before. That, however, is only an aggravation of the problem.

Following the report of the imports and exports for October and November,

the 2 months following devaluation, the trend was extremely interesting.

The jobs of more than 1,000,000 American workers will be sacrificed to the administration's foreign trade program this year if current trends of export and import trade continue. Well over 3,500,000 men, women, and children will lose their meal tickets and 1,150,000 workers will find their jobs eliminated if exports continue to decline at the October and November 1949 rate while cheap labor imports of competitive products continue to increase at the October-November rate.

Imports increased \$33,400,000 in October over September, and they increased another \$33,600,000 in November over October, a total increase of \$67,000,000 in 2 months and a continuation of this geometrical stepping up appears to be in the offing. If it should continue for even 1 year our imports would increase by about \$100,000,000 in 3 months, \$200,000,000 in 6 months, and the increase in the twelfth month would be \$400,000,000 over that of September 1949.

The accumulation of each month's increase would mean that in the 12-month period following September 1949 we will bring into this country additional imports amounting to \$2,600,000,000.

Now, on the other hand, exports decreased \$53,100,000 in October from the September level, and they decreased another \$13,600,000 in November, a total decline of \$66,700,000 in the 2 months. The gradual strangulation of American exports in many foreign markets indicates that this trend will also continue—and, projecting them for 1 year, we find just the reverse of the imports—a loss valued at over \$2,500,000,000, every cent of which can be definitely identified as a loss of business for the domestic producer and a loss of jobs to the workers.

It was apparently contemplated if we could increase our imports we would also increase our exports. That has not proved to be the case to date.

The estimated national product for 1949—Department of Commerce—is \$259,000,000,000, and the average employment, including the armed forces, has been officially estimated at around 59,500,000. Dividing the number of employees into the value of the product we find that the average workman in 1949 produced good value at \$4,353. On that official basis is would take, for the production of \$5,000,000,000 worth of goods, 1,150,000 men working for one full year.

I wish to offer for insertion in the RECORD at the conclusion of my remarks an article from the Wall Street Journal of January 11, 1950, entitled "Import Impact—Cheaper Foreign Goods Begin To Cut a Swath in Domestic Markets—They Bit United States Chinaware, Gloves, Sewing Machines, and Simulated Pearls—Protests Reach Washington."

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BREWSTER. Mr. President, I shall read very briefly from the article, showing that it details the effect of imports on small American manufacturers

who are being forced to curtail profits because of an inflow of cheap-labor products manufactured abroad. I quote briefly from the article:

Makers of a significant scattering of items—from simulated pearls to sewing machines to chinaware—are getting those import jitters once again.

Reason for the latest reoccurrence of a well-known prewar ailment: Goods from Japan and Europe—

It should be clear in the RECORD that Japan and Germany are still in the most favored-nation class, so that imports from those countries take the benefit of whatever reduction of duties may be put into effect at any time—

are entering the United States market in increasing volume and at prices domestic producers find hard to meet.

Take the Gelmart Knitting Mills, Inc., of Yonkers, N. Y. This firm has cut back its production of wool and cotton gloves 80 percent from a year ago. Gelmart still considers itself lucky, however, because it was able to get a supply of nylon for glove making. President Arthur Goldsmith explains the switch to the synthetic fabric: "Japan sells cotton string gloves to American jobbers at \$5 for a dozen pairs. We have to get \$9.75 a dozen, since our labor costs alone amount to \$5."

Other glove makers in the same Hudson River town are not so lucky. Reports the Hega Knitting Mills, "We're operating at 25 percent of capacity and our break-even point is 60 percent. And the outlook is worse. We may be forced to close down next year." * * * The York Glove Mills, also in Yonkers, looks for a 50-percent drop in its 1950 volume.

Wool-fabric makers are alarmed at the influx—at lower than domestic prices—of English and Italian merchandise. Better quality imported goods, according to trade reports, are landing duty-paid at \$1.50 to \$2 a yard below current New York quotations.

Dinnerware manufacturers are more than alarmed: They cite Japanese and German imports as the main factor behind an estimated 25-percent dip in their sales last year below 1948. The Jackson Vitrified China Co., which claims to produce the least expensive chinaware set in the United States, says it is "unable to meet Japanese prices."

Several protesting groups are seeking import curbs and higher duties. These include northwestern nut growers, who ask a 50-percent hike in duties, and the Association of Knitted Glove and Mitten Manufacturers, which is pressing for a quota on shipments to this country.

One United States maker of knitted berets, for instance, declares his labor costs are five to eight times those prevailing in France and Czechoslovakia. A manufacturer of wool fabrics puts his labor bill at triple the English level and five times the Italian rate.

The administration is sacrificing small American handicraft industries to foreign imports on the grounds that dollar earnings by foreign competitors will encourage American exports of automobiles and other mass-production items.

The fact is that while imports have risen to threaten small industries in America, exports have fallen off.

The increase in imports of competitive goods and the decrease in exports of all kinds of goods inevitably increases unemployment in the United States.

I have pointed out these possibilities as a firm reminder to those who clamor for increased use of foreign goods that

the result of artificial stimulation of imports can very well mean extensive unemployment in this country. Some of our diplomats are either unaware of this, or they are ignoring it for what seems to them more important reasons.

One wonders how long unemployed Americans or their more fortunate but sympathetic fellows will desire to support the propaganda broadsides of the State Department to "buy foreign" and put American workmen out of jobs. In the eyes of this administration to "buy American" is almost treason.

I hold in my hands two recent Government publications designed to show foreign industries how to move into the American market.

One brochure of 130 pages is issued under the joint auspices of the ECA and the Department of Commerce. The other is issued by the State Department. Both fail to disclose the sacrifice of some American industries that is involved and of thousands of American workers for the sake of what is alleged to be the larger whole.

There are other ways of balancing our international exchange budget that need not involve the loss of nearly so many jobs.

I trust that as time goes on the impact of these imports upon our domestic situation and the growing loss of exports that seem to be its concomitant will bring about such a situation that the administration will seriously reconsider its current trade policies, and will not in the case of our tariff rates carry the reductions which are now authorized under existing law some 20 to 30 percent further. Our tariff rates are now at the all-time low in the history of our country, averaging 5 percent on all our imports, and practically 12 percent on all our dutiable imports. I hope the administration will not undertake to bring about further reductions, as announced by the State Department as now being contemplated, but that they will reconsider, as they may under the escape clause, the existing cuts which are having such a devastating effect upon current employment in many sections of the country, and particularly in New England.

EXHIBIT 1

[From the Wall Street Journal of January 11, 1950]

IMPORT IMPACT—CHEAPER FOREIGN GOODS BEGIN TO CUT A SWATH IN DOMESTIC MARKETS—THEY HIT UNITED STATES CHINAWARE, GLOVES, SEWING MACHINES, AND SIMULATED PEARLS—PROTESTS REACH WASHINGTON

(By Edward Bejan)

Makers of a significant scattering of items—from simulated pearls to sewing machines to chinaware—are getting those "import jitters" once again.

Reason for the latest reoccurrence of a well-known prewar ailment: Goods from Japan and Europe are entering the United States market in increasing volume and at prices domestic producers find hard to meet. These foreign wares constitute only a trickle, of course, compared with the enormous outpouring of American factories, but they are already beginning to have an impact on certain industries.

Take the Gelmart Knitting Mills, Inc., of Yonkers, N. Y. This firm has cut back its production of wool and cotton gloves 80 percent from a year ago. Gelmart still considers itself lucky, however, because it was able to

get a supply of nylon for glove making. President Arthur Goldsmith explains the switch to the synthetic fabric: "Japan sells cotton string gloves to American jobbers at \$5 for a dozen pairs. We have to get \$9.75 a dozen, since our labor costs alone amount to \$5."

Other glove makers in the same Hudson River town are not so lucky. Reports the Hega Knitting Mills: "We're operating at 25 percent of capacity and our break-even point is 60 percent, and the outlook is worse. We may be forced to close down next year." The Sternwild Knitting Mills, Inc., which usually halted regular output for 30 days around this time of the year for sample making, says it will be slower resuming operations this year; the company's output before the current shut-down was running 25 to 30 percent below a year ago. The York Glove Mills, also in Yonkers, looks for a 50 percent drop in its 1950 volume.

THEY WERE DIFFERENT

American producers in the postwar era have tended to regard most imported products as different from home-made goods rather than as a competitive threat. They have in mind such things as Scotch whisky, Irish linen, and Belgian lace. Now, however, many a manufacturer sees foreign wares directly threatening his markets.

Up and down New York's Worth Street, textile hub of the country, merchants are keeping a nervous eye on Japanese cotton goods quotations. Dealers report some Nipponese-made "gray" textiles have already entered the United States at prices below those for corresponding American wares. One result: Anglo-American textile men are planning to send an exploratory group to Japan to size up the situation.

Wool-fabric makers are alarmed at the influx—at lower than domestic prices—of English and Italian merchandise. Better quality imported goods, according to trade reports, are landing duty-paid at \$1.50 to \$2 a yard below current New York quotations.

Dinnerware manufacturers are more than alarmed: They cite Japanese and German imports as the main factor behind an estimated 25-percent dip in their sales last year below 1948. The Jackson Vitrified China Co., which claims to produce the least expensive chinaware set in the United States, says it is unable to meet Japanese prices.

Reports Philip Distillator, Jackson's president: "A few months ago, Japanese producers trimmed the wholesale price of a typical 12-piece set from about \$42 to \$30. Our set was \$50 then. We were forced to come down to \$40, but we can't go any lower."

SEWING-MACHINE HEADS FROM JAPAN

Bulking large in the sewing-machine field are imports of Japanese heads—machines not yet installed in cabinets or equipped with electric motors. A spokesman for big Singer Manufacturing Co. estimates these are coming in by the thousands. One importer reports his sales of heads rose from about \$10,000 in 1948 to well over \$100,000 last year.

Several American manufacturers and distributors specialize in putting the Nipponese machines in cabinets and outfitting them with motors. Some do their own importing under exclusive contracts with Japanese plants. One of these, Bega Bros. Products Corp., says its sales of the imported machines have increased 200 percent over 1948. Morse Sewing Machine, which imports a unit to retail at \$139, claims its current volume is running 25 percent over 1948 and "we sell everything we bring over."

A bargain hunter can pick up an inexpensive console-type Japanese-made machine today for around \$95. In contrast, the cheapest Singer console model retails for \$164.50.

Another major Japanese import—simulated glass-base pearls—is gaining a foothold in American markets. To meet the wholesale price of the imported beads—\$1.50 a dozen

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 13 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CORDON to the amendment in the nature of a substitute proposed by Mr. WILEY for himself and others to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: On page 6, between lines 13 and 14, insert a new subsection as follows:

- 1 (e) Effective on and after the first day of the first
- 2 month which begins more than twenty days after the date
- 3 of enactment of this Act, section 3475 of the Internal Reve-
- 4 nue Code (tax on transportation of property) is hereby
- 5 repealed.

AMENDMENT

Intended to be proposed by Mr. Cordon to the amendment in the nature of a substitute proposed by Mr. Wiley for himself and others to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 13 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

81ST CONGRESS
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 13 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the amendment in the nature of a substitute proposed by Mr. WILEY, for himself and others, to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: On page 6, after line 20, insert a new subsection as follows:

1 (e) (1) Section 1650 of the Internal Revenue Code
2 is amended by striking out, in the table contained in such
3 section, the matter relating to cabarets, roof gardens, and
4 so forth.

5 (2) Section 1700 (e) of the Internal Revenue Code
6 (relating to admissions tax on cabarets, roof gardens, and
7 so forth) is hereby repealed.

8 (3) This section shall become effective at 10 o'clock

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the amendment in the nature of a substitute proposed by Mr. WILEY, for himself and others, to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 13 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

- 1 antemeridian on the first day of the first month which begins
- 2 after the date of enactment of this Act.



Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

Vol. 96

WASHINGTON, TUESDAY, JANUARY 17, 1950

No. 11

Senate

(Legislative day of Wednesday, January 4, 1950)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, at this daily altar dedicated to the far look, together we bow in the hush and joy of Thy presence pausing in the morning tasks to listen for Thy call sounding in our ears. Lift us, we pray Thee, above the foggy valley of narrow loyalties and partisan interests to vaster vistas where small things are seen as small and great things as great. In all our attitudes and decisions give us perspective and horizon. Save us from substituting cheap shibboleths and slogans for costly thought and impartial investigation. Help us to recognize truth and to welcome revelation from whatever quarter they arrive.

Give us peace in our time, O God, peace with honor, with human dignity vindicated and social justice the canopy of all the nations. Amen.

THE JOURNAL

On request of Mr. FULBRIGHT, and by unanimous consent, the reading of the Journal of the proceedings of Friday, January 13, 1950, was dispensed with.

CALL OF THE ROLL

Mr. FULBRIGHT. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator withhold his suggestion of the absence of a quorum for a moment?

Mr. FULBRIGHT. I withhold the request.

The VICE PRESIDENT. Under the order, the time is divided equally between the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Wisconsin [Mr. WILEY] until 1 o'clock, at which time the vote is to be taken. Of course, the time consumed in any roll call or quorum call will be taken out of the time between now and 1 o'clock and the Chair feels that the division of time applies to the time that is left.

Mr. WHERRY. I understand the time taken by the quorum call is to be charged equally to both sides.

The VICE PRESIDENT. That is correct.

Mr. FULBRIGHT. That is satisfactory.

Mr. WHERRY. I agree.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Hunt	Myers
Bridges	Ives	Neely
Butler	Jenner	O'Connor
Byrd	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Cordon	Johnston, S. C.	Robertson
Darby	Kefauver	Russell
Donnell	Kem	Saltonstall
Douglas	Kerr	Schoeppel
Downey	Kilgore	Smith, Maine
Dworshak	Knowland	Sparkman
Eastland	Langer	Taft
Eaton	Leahy	Taylor
Ellender	Lehman	Thomas, Okla.
Ferguson	Lodge	Thomas, Utah
Flanders	Long	Thye
Frear	Lucas	Tobey
Fulbright	McCarran	Tydings
George	McCarthy	Vandenberg
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Martin	

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

I announce further that the Senator from Texas [Mr. CONNALLY] is absent on important public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent by leave of the Senate on official business of the Committee on Public Works.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

LEAVE OF ABSENCE FOR SENATOR SMITH OF NEW JERSEY AND STATEMENT BY HIM OF REASON FOR HIS ABSENCE

Mr. WILEY obtained the floor.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. No Senator can be recognized for any purpose unless he is yielded to by one of the two Senators who have charge of the floor.

Mr. FULBRIGHT. Mr. President, I wish to yield a minute to the Senator from New Jersey.

The VICE PRESIDENT. The Senator from Arkansas yields 1 minute to the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, at the session on Friday last, in the course of the colloquies in respect to the unanimous-consent agreement, I made the statement that "If the Senate enters into the unanimous-consent agreement to vote on Tuesday, we"—meaning my distinguished colleague [Mr. SMITH of New Jersey] and myself—"will be here to vote on Tuesday."

I did not know at the time that the senior Senator from New Jersey had commitments in New Jersey other than the inaugural ceremony at the State capitol.

Accordingly, I now ask unanimous consent, first, that my colleague be excused from attendance on the session of the Senate today and, secondly, that a formal statement prepared by my colleague pertaining to his absence from the session today be inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. Without objection, the request for leave of absence of the senior Senator from New Jersey is granted, and, without objection, the statement will be printed in the RECORD.

The statement by Mr. SMITH of New Jersey is as follows:

Mr. President, at my request my colleague, the junior Senator from New Jersey [Mr. HENDRICKSON], is inserting this statement for me in the RECORD because of my necessary absence today.

I note in the RECORD of Friday last the colloquy with regard to the unanimous-consent agreement to vote on the pending Wiley-Gillette substitute for the bill (H. R. 2023) to regulate oleomargarine, and so forth.

When this colloquy took place, while I had answered to the roll call, I was attending a prolonged meeting of the Foreign Relations Committee and did not return to the floor until after the unanimous-consent agreement had been made. In the RECORD it appears that my distinguished colleague from New Jersey [Mr. HENDRICKSON] stated that: "If the Senate enters into the unanimous-consent agreement to vote on Tuesday, we will be here to vote on Tuesday." My colleague was thoroughly justified in making this statement for both of us under ordinary circumstances, but I find myself in a situation which makes it unavoidably necessary for me to be absent today. Not only are we inaugurating our Governor, but in addition to that I have had a long-standing commitment to make an address later in the day in an important anniversary celebration in the State and it will not be possible for me to be in Washington for the 1 o'clock vote and keep these two important commitments.

I am, therefore, requesting my colleague to ask unanimous consent that I be excused from attendance today. I have endeavored to arrange for pairs on the contemplated vote or votes. I understand distinctly from the colloquy that took place as recorded in the RECORD that the so-called civil rights amendments will not be considered in connection with the votes taken today.

I would have made this statement myself at the Monday session, but the recess over Monday has prevented my doing so.

H. ALEXANDER SMITH.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. WILEY. Mr. President, I yield myself 30 minutes.

The VICE PRESIDENT. The Senator from Wisconsin is recognized for 30 minutes.

Mr. WILEY. Mr. President, the Senate has now been engaged for some time in consideration of the very important subject now before it. As I think of what is involved there comes to my mind an incident which occurred after Columbus returned to Spain, following his discovery of America. He thought he had discovered the Indies. When he returned to Spain much was made of him. A banquet was held in his honor, during which one individual asked Columbus "Do you think, sir, that I could have discovered the Indies?" Columbus paid no attention. Finally, after a persistent pressing of the question Columbus picked up an egg and said, "Can any of you make this egg stand on end?" The answer was in the negative. Columbus tapped the end of the egg on the table and it stood upright, on end. The guest who had directed the question to Columbus said, "Well, if I had thought of it I could have done the same." "Yes," said Columbus, "and if you had thought of it you also could have discovered the Indies."

What we must do in connection with the issue now pending before the Senate is to think straight and not be confused by our emotions, our prejudices, or what not.

A FINAL SUMMARY OF ARGUMENTS FOR GILLETTE-WILEY DAIRY AMENDMENT

Mr. President, last Friday, I spoke briefly on one of the two major problems

which concern the American people today. Those two problems are:

First. How can we prevent and keep out of a terrible third world war? and

Second. How can we prevent a depression?

OLEO LEGISLATION CAN PRECIPITATE DEPRESSION

With reference to the second problem, I firmly feel that the legislation which we are now considering can have a crucial effect. I say a crucial effect. Enactment of the right kind of legislation can be of help to prevent us from sliding into a depression.

Time will not permit me to present a complete summary of our position on this issue, but those parts I am unable to cover orally will be placed in the RECORD, with the kind consent of the Senate.

Yes, Mr. President, as I have indicated, the passage of the bill H. R. 2023, the oleo legislation, if it be not amended, can plunge us into an economic tailspin; it can start a series of circumstances which can inevitably lead the heart of the Nation into what might be called an economic paralysis.

At this point I ask unanimous consent to have printed in the RECORD the table which appears on page 153 of the hearings before the Senate Committee on Finance, showing the percentage of the milk produced in 10 States which goes into butter. It ranges from 72.6 percent to 15.1 percent.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Butter-producing States with more than 400,000 cow population

	Percent of milk into butter	Percent decline in cow population since 1945
North Dakota.....	72.6	28.4
South Dakota.....	68.2	25.3
Iowa.....	65.3	16.9
Nebraska.....	58.5	24.7
Kansas.....	41.7	22.9
Minnesota.....	39.5	14.3
Colorado.....	33.1	14.3
Oklahoma.....	32.3	22.8
Missouri.....	18.8	12.6
Arkansas.....	15.1	17.0

WHERE WILL HUGE MILK OUTPUT GO?

Mr. WILEY. Mr. President, I ask my associates to ponder what will happen to the 30 percent of the fluid milk of this Nation which at present finds its way into butter. What will happen to that great flood of billions of pounds of milk unless new markets can be found for it? Yes, Mr. President, the great hope those of us who favor the dairy amendment have is that, if perchance, our amendment should unfortunately be defeated, the inventive genius of the American people will find new dairy outlets for that flood of milk so as to prevent catastrophe in American agriculture.

Mr. President, we have the hope that the inventive genius of the American people will, through chemistry, do for the dairy industry what it has done for the oleo industry. We, in the Middle West, are never licked. I hope outlets will be found for the flood of milk. But, Mr. President, I want to say that in the East, even here in the Washington market, the doors have been closed against

our milk. If our butter market is taken from us, we will show the Congress a volume of pressure of milk that will blow these doors wide open. It is not possible to take the livelihood away from 30,000,000 people without feeling an economic and moral and political pressure which will have widespread results. Mr. President, we can deliver all the milk that can be used by the people in the Washington area; we can deliver it at 10 cents a quart and still get our 8 cents, whereas in our area now we are getting only 5 cents a quart, and dairy farmers are reducing their production.

Unless new outlets are found, we may well find ourselves returning to the bleak days of the 1930's, when American agriculture was in the depths of economic chaos.

Fortunately there is a great resilience in the people of the Midwest. Just as they created the economic bread basket of America, just as they developed their region into the richest heart of America, so it is our prayer that the Midwest will find the answer through modern chemistry to the problem of adequate disposition of this flood of milk.

It is inconceivable that the representatives of the rest of the people of the country would let us down. We have helped build this Nation, but now some would stick a dagger in our backs. However, we will pull the dagger out, if that happens; and those in this area, those in Maryland and Virginia and West Virginia, who control this milkshed area, whose farmers get 20 and 22 cents a quart for milk, will find that they cannot keep us shut out all the time. We ask the Senators from all the States to cooperate with us in this fight, to help us get the break so that at least we can get 8 cents a quart for our milk.

STATES MUST TIGHTEN OLEO REGULATIONS

Fortunately, too, there is another possibility, and that is for the respective States to tighten regulations in order to prevent fraud and deception on their consumers. We ask all Members of the Senate to help us do that. I have already shown in the debate on this floor that in the State of Arkansas, where there is a requirement that all restaurants and other public places serving oleomargarine must post a notice to that effect, 69 out of 100 serving places violated that State law. But we ask the Representatives in Congress of the other States to be fair. If they are going to do this thing to us, then let them be fair to their consumers and to the eating public, so that fraud will not be perpetrated on them. If the dairy amendment is voted down, the gates of interstate commerce will be opened, at least insofar as the Federal Government is concerned, to an inundation by imitation butter. But the respective commonwealths will still be able to protect their citizens within their own borders, unless the Oleomargarine Trust controls the politics of those States. I believe the various State legislatures should give their earnest attention to this problem. The farmers have not been organized, and now the result is that we have this pressure in the shape of the legislation which is pending here today.

But, Mr. President, in spite of these two partial remedies, let us not underestimate the gravity of the present crisis. I am not picking a crisis out of the air. I am saying that when the livelihood is taken from more than 2,500,000 farmers and when 29 percent of the milk production is taken away from its legitimate channel, then a severe crisis is created; and it is a major one, not a minor one. In my State, although the Democrats in 1948 promised the farmers that prices would be kept up, already there has been a tumbling of prices in an average amount of 25 percent. That will immediately affect the national revenue. It also will affect the purchasing power of the farmers. Now the situation has been muddled all the more, and the present developments are worse. So there will be chaos, as I have said, unless—and I have hope for this—the chemists of America, the ingenuity of America, find an answer to the crisis which thus has been created.

RAPE OF BUTTER INDUSTRY IS BUT FIRST ACT IN THIS TRAGEDY

If the Gillette-Wiley substitute amendment is defeated, then, as I have stated, I fear that we shall have started a chain reaction whose final effects no man on either side can accurately predict. The rape of the butter industry—and, Mr. President, I use that description advisedly—is but the first act which the monopolists will perform in order to obliterate all other segments of the American dairying industry—cheese, fluid milk, evaporated milk, and so forth.

EVIL CONSEQUENCES OF BODY BLOW TO DAIRYING

"So, what?" a cynic might ask. "So, what?" Mr. President, one might as well ask, "So, what?" if America's far-flung automobile industry were destroyed, for remember that the \$7,000,000,000 of dairy value in 1949 was about equal to the value of the American automobile industry. And dairying, involving as it does our health, our soil, the life of 2,500,000 farmers, involves the very heart of our way of life.

The evil consequences are so staggering to contemplate that one shudders at the prospect, if the oleo bill should pass, of tens of thousands of deserted farms, of villages becoming ghost towns because they were dependent upon farmers who had to auction off their stock and other assets. One shudders to think of the consequences to State and Federal tax revenues because of the loss of the dairying segment which accounts for 22 percent of all American farm income.

In 1940, America's farm population was 30,500,000. This year it is 28,000,000. We are forcing more and more people from the farms into the overcrowded cities. We are taking steps that can only lead to the waste and the ravaging of the soil. We are endangering the very fundamentals of the American economy. Yet all that some of our local newspapers can see in the situation is the tax issue which is involved.

THIS IS NOT SCARE PROPAGANDA

Again the cynic might scoff at what he might feel to be scare propaganda, exaggerated fearist talk. But, Mr. President, the record of decline in dairy herds,

the record of the 25-percent loss in dairy income in 1 year, the record of the insidious creeping larceny by the Oleo Trust—stealing 40 percent, then more and more of the table-spread market by deception—all this record attests to the accuracy of these predictions.

DAIRY PARALYSIS WILL NOT OCCUR OVERNIGHT

I do not say the decline in the dairy industry and the blight of the dairying Midwest will occur overnight. Rather, it will creep like a fog, slowly involving more and more geographic areas, paralyzing our economic life. It may take years, but the consequences will be lasting. This generation will feel them to a tremendous degree, while succeeding generations will experience even worse consequences that will have accumulated over the years.

We who support the Gillette-Wiley substitute amendment have sought to protect the legitimate interests of our States. But we would not have fought either as hard or as long if we had not been firmly convinced that the issues at stake were of far greater consequence to all 48 States than the opposition has indicated.

ONE-PACKAGE DAIRY EXCISE-TAX AMENDMENT NECESSARY

I appeal to my colleagues to support not only the original Gillette-Wiley amendment as perfected by the McCarthy-Aiken provisions, but to stand by the excise-tax-repeal amendment in a one-package approach to these interrelated matters.

The fate of the country depends upon this vote, Mr. President. American dairying may be defeated, but the defeat will weigh heavily on the hearts of those responsible for it and on the American people in the generations that are to follow.

When oleo sells for two or three times as much as it does now, and when the dairy herds no longer fertilize the soil, but are depleted so greatly that America's beef and the veal supply will be largely gone, and when we have to import what we now have in abundance, then the words and the deeds of those of us who have fought for the substitute amendment will be remembered.

SUMMARY OF SPEECHES MADE BY SENATORS ON BEHALF OF THE DAIRY AMENDMENT

Mr. President, a look at the Record will reveal the distinguished group of Senators who have spoken on behalf of the dairy amendment. I should like now to pay a brief but sincere tribute to them for their valued contributions. Each one of them carried the ball. No one of them wanted to be the hero, the "Grange." No one of them wanted to be the big shot. Each one of them was a member of the team. No one of them tried to steal the ball from another. I feel proud to be associated with such a group.

JANUARY 5 DEBATE

On Thursday, January 5, my distinguished colleague from Iowa [Mr. GILLETTE], cosponsor of the dairy substitute amendment, very carefully analyzed the oleomargarine bill. He very decisively proved the sheer inability of Federal authorities to enforce the so-

called labeling provisions of the Senate Finance Committee's version of the oleo bill. He demonstrated conclusively that these provisions to label and identify oleo under that version are a farce and unworkable.

JANUARY 6 DEBATE

The following day, on January 6, we received a comprehensive analysis of the issues involved in this dispute from the able senior Senator from Vermont [Mr. AIKEN]. Our colleague proved that butter is the balance wheel of dairying and that the destruction of the butter market will inevitably lead to the sticking of a dagger into the heart of dairying as a whole.

That same day my able associate from Wisconsin [Mr. MCCARTHY], offered a well justified amendment which would prevent the use by the oleo interests of dairy references in their advertising. I was glad to accept this amendment to the substitute amendment.

JANUARY 10 DEBATE

The next legislative day, Monday, January 9, was devoted to a discussion of United States foreign policy and the United States budget. Debate did not therefore resume on this issue until Tuesday, January 10. At that time it was led off by my colleague, the junior Senator from Minnesota [Mr. HUMPHREY], who did a splendid job in analyzing the worldwide monopoly of Unilever, Ltd., which controls table fats and oils throughout the globe, and which is among the largest producers of oleo in our country. The Senator from Minnesota demonstrated that the total production of the five principal oleo corporations accounts for 68.4 percent of the domestic output today, which in turn is an increase of 7 percent over their total output a few months ago.

Then followed the remarks of the junior Senator from North Dakota [Mr. YOUNG]. Among the many telling points made by our colleague was the drastic effect of soybean and cotton farming in impairing the health of the soil. This point was reinforced by our experienced associate, the Senator from Nebraska [Mr. BUTLER], who followed with an impressive description of those unhappy lands which have "devaluated their dairy industry and have failed to practice animal husbandry." "Then," said the Senator from Nebraska, "compare those countries with Denmark, Sweden, Switzerland, Holland, and other agriculture-conscious nations." The Senator from Nebraska went on to evaluate very closely the great menace created by synthetic products of natural agricultural commodities and all the implications of that menace.

That same day, January 10, we were treated to a splendid discussion by the junior Senator from Montana [Mr. ECTON], who pointed out the complete inconsistency of the Federal Government's supporting dairy prices on the one hand and stabbing the dairy industry in the back on the other. Following the remarks of the Senator from Montana I placed in the CONGRESSIONAL RECORD, on page 290, a table setting forth all the materials used in the manufacture of oleomargarine during the past 20 years.

JANUARY 11 DEBATE

January 11, 1950, provided another harvest of discussion and fact presentation on this issue, beginning with the splendid commentary of the senior Senator from Minnesota [Mr. THYE]. Our colleague from his long experience in dairying affairs, pointed out many striking facts, including the wide price spread which exists today between different brands of oleo, indicating the ability of the Oleo Trust to juggle prices as it pleases. The senior Senator from Minnesota also pointed out the very clear fact that in 1948, 3,750,000 surplus cotton bales were under cotton bale loan. Thus there was a total United States investment of almost \$600,000,000, an average of about \$160 a bale. The senior Senator from Minnesota pointed out that we need to find some way to divert some of those acres devoted to cotton to some other kind of crop—and the same holds true for surplus corn—rather than cause further cotton or corn overproduction.

None of my colleagues who were present in the Senate on January 11 will forget the address which followed, delivered by the senior Senator from North Dakota [Mr. LANGER], who gave one of the most impressive descriptions which we have had of the world-wide monopoly of oleo. We are indebted to the senior Senator from North Dakota for pointing out what we fear is not merely a coincidence in the relationship between (a) Mr. Charles Luckman, as head of the Democratic Jackson-Jefferson Day dinners, raising funds for the Democratic Party and (b) the zeal of the Democratic Party to pass this oleo legislation.

JANUARY 12 DEBATE

On Thursday, January 12, we were treated to a brilliant analysis of the question by the junior Senator from South Dakota [Mr. MUNDT], who analyzed the contradictory record of the Democratic Party in pretending to be a friend of the dairy farmer at the very same time it was destroying the market of the farmer. I may mention at this point the unfortunate stand of our Democratic colleagues who are seeking to strip the excise-tax repeal amendment from the dairy substitute amendment, thus threatening the fate of both.

On that day, we benefited too by a discussion by one of the ablest legal minds in the Senate, our colleague, the junior Senator from Michigan [Mr. FERGUSON]. He brought to our attention the decision of the United States Supreme Court, which twice upheld the constitutionality of the Filled Milk Act. Following the address of the junior Senator from Michigan, we heard of the dishonest advertising campaign conducted by the oleo manufacturers in attempting to utilize dairy terms and grade descriptions. This discussion was handled by my associate, the junior Senator from Wisconsin [Mr. MCCARTHY], whose worthy advertising amendment I have previously referred to.

Still another comprehensive treatment of this subject came from our associate, the Senator from Oregon [Mr. MORSE], who pointed out the crucial effects of the loss of the butter market on the American dairy industry.

JANUARY 13 DEBATE

That brings us to Friday, January 13, when the position of the great State of Iowa was again clearly expressed by our colleague, the senior Senator from Iowa [Mr. HICKENLOOPER], who warned us that imitation butter is but a first step in wholesale fraud against the dairy industry, to be followed by filled cheese and other synthetic products. Our colleague the Senator from Washington [Mr. CAIN] then presented the results of a public-opinion poll on the butter problem. Among the striking facts in that poll was that 53 percent of the women approved of legislation which involved practically the very provisions of the Gillette-Wiley substitute amendment, while only 18 percent of them disapproved, and 29 percent had no opinion.

I COULD NOT ATTEMPT A COMPLETE SUMMARY

Mr. President, in addition to the above principal addresses, there were many splendid interrogations and brief comments delivered by other Members of the Senate. As I indicated at the start, I could not attempt to try to present a complete summary of either their arguments or their telling questions, but I did not want to let this opportunity pass without expressing my sincere thanks to my colleagues.

CONDENSATION OF OUR MAJOR ARGUMENTS

Let me summarize now our principal points in this argument under these major headings:

First. The moral right to protect butter's yellow color.

Second. The free-enterprise factor—protecting the little fellow against monopoly.

Third. The consumer factor—protecting our people from fraud and deception and from impairment of health.

Fourth. The factor of the over-all economic consequences to the Nation.

FIRST MAJOR ARGUMENT, THE MORAL RIGHT TO PROTECT BUTTER'S YELLOW COLOR

First. There is a moral right of the dairy industry to protect what amounts to its common-law trade-mark. Let the Washington press say something about that. Let someone use their names, and see how quickly they will react to it. Shame on the ignorance of men who write as they have written within the past few days.

(a) Many products protect their color from imitation by other corporations, for example, yellow color of Yellow Cab Co.; red color of Lifebuoy soap, of which Luckman is now the boss.

WE DO NOT OBJECT TO LEGITIMATE COMPETITION

(b) The butter industry does not object to legitimate-type imitation; for example, oleo imitation of butter's flavoring, butter's packaging, butter's melting point, butter's specific gravity, and so forth, but the butter industry draws the line when it comes to the last crucial feature—color—because such imitation gives an opportunity to perpetrate a fraud not only on the dairy industry, but on the consumer.

(c) The Supreme Court has twice sustained as constitutional the Federal Filled Milk Act. This act provided a perfect precedent in confirming right of Congress to prevent subterfuge and de-

ception on consumer when artificial, filled milk was attempted to be shipped in interstate commerce, even though that product was as allegedly nutritious as the natural product.

(d) The pending dairy amendment does not interfere in intrastate affairs in contrast to the oleo bill itself, which would put Federal snoopers in all the Nation's restaurants—that is, in intrastate business—if an attempt were made to secure enforcement.

SECOND MAJOR ARGUMENT, FURTHERANCE OF UNITED STATES FREE ENTERPRISE

Second. Furtherance of our free enterprise system requires protection of dairy industry.

(a) In any contest between five or six huge billion-dollar corporations, as against two and one-half million little fellows, it is only fair and right that the United States Government should protect the small man, the family-type farmer. To do otherwise is to accelerate a trend toward monopoly and bigness which everyone admits is harmful to free enterprise.

(b) In addition to two and one-half million dairy farmers, there are 40,000 processing plants, 3,500 creameries, and literally hundreds of thousands—yes, millions of jobs involved in hauling milk from the farmer to the ultimate consumer and in all of the intermediate steps. All of these jobs will be threatened by the pending legislation.

OLEO INDUSTRY IS FAR FROM BEING DISCRIMINATED AGAINST

(c) The oleo industry is completely unjustified in pleading that it is being discriminated against in a manner contrary to the principle of free enterprise. A look at the statute books shows that oleo, far from being placed at a disadvantage, is actually pampered in relation to butter. The oleo makers have a tariff of 22 cents per pound against foreign competition. Butter has a 7-cents-per-pound tariff. When we tried to cut out the 15-cent margin and equalize the tariff, the supposed protectors of the consumer in the House of Representatives screamed and squawked and killed the motion. Yes, these boys have a lot of power.

The oleo makers can use preservatives in their product; butter cannot.

Oleo can be reheated and processed without being labeled as such; butter cannot. Oleo can be made from any number of fats; butter cannot. If a foreign substance is added to butter, such butter must pay the present 10-cents-per-pound Federal tax the same as oleo. In other words, the butter industry has no advantage over any other industry, and allows to be imposed upon itself even higher standards than statutes impose upon oleo. The butter industry has always had the housewife's and the consumer's legitimate interests uppermost in its consideration.

BUTTER ONLY OCCASIONALLY ADDS COLOR

(d) To be sure, a slight coloring is occasionally added to butter. But when a butter maker deepens the color of butter he desires to achieve the opposite effect from that intended by the oleo manufacturers. The one intends to bring out the natural color of his product—and

this is only done in a few northern States in the winter period when comparatively very little butter is produced—while the other, the oleo manufacturer, intends to imitate the color of another product and to change the basic color of cottonseed oil and soybean oil.

It is not true that their product is naturally yellow, as oleo spokesmen have frequently contended. The most careful scientific tests have demonstrated, once and for all, that oleomargarine made of domestic oils is gray-green or off-white, with no natural resemblance to the color of butter. It is impossible to make naturally yellow oleomargarine out of domestic vegetable oils, according to the Armour Research Foundation.

THIRD MAJOR ARGUMENT, PROTECTING THE WELFARE OF AMERICA'S CONSUMERS

Third. One hundred and fifty million American consumers will be helped, not hurt, by the dairy substitute amendment.

(a) Butter is sold with minimum parity support by Government. Its actual price is set in the 48 States, according to the law of supply and demand, when the 2,500,000 dairy farmers send their product to market. On the other hand, the oleo price is set, not according to the law of supply and demand, but according to whatever the Oleo Trust feels the traffic will bear. If oleo is sold at a low price now, it is purely in line with the strategy of the Oleo Trust to emphasize a wide difference between butter's price and oleo's price. However, once butter is driven from the market it can be predicted with certainty that the Oleo Trust will raise the price of colored oleo.

DAIRYING IS VITAL TO NUTRITION

(b) The consumer depends upon American dairying for his health and nutrition. Anything which serves to reduce the flow of milk into dairy products hurts America's diet. Since butter serves as the outlet for 30 percent of all fluid milk, it is inevitable that, once the butter market is destroyed, dairy herds will be drastically reduced, according to some predictions by as much as 2,000,000 animals. This inevitably means less milk available for cheese, bottled milk, and so forth. Moreover, dairy herds provide 75 percent of United States veal and 30 percent of United States beef. The effect on veal and beef supplies and prices will, therefore, be drastic once dairy herds are liquidated.

UNCOLORED OLEO CAN BE COLORED IN KITCHEN

(c) Consumers can easily color uncolored oleo according to their preference in their own kitchen in 120 seconds. Coloring oleo by a capsule or any other handy device is no more difficult than peeling vegetables or performing 100 other household chores. The difference in requiring those few seconds of coloring may spell the difference between continuation or destruction of the United States dairy industry.

(d) The "butterlegging"—that is, butter bootlegging—that existed when the original oleo regulations were set up will be as child's play compared to the new rackets which will spring up if House bill 2023, unamended, is enacted.

If Federal regulations of yellow oleo are to be repealed, the oleomargarine

manufacturers will once more have "butterleggers" for customers. If an immense "butterlegging" business sprang up, as it did when the spread between butterine and real butter was only 10 cents a pound, what else can be expected at today's difference in prices? And if the "butterlegging" racket prospered despite all kinds of early restrictions and penalties, what may we anticipate when all restraints are off?

None of us is so naive as to believe that the situation can be handled by the Pure Food and Drug Administration, or by similarly undermanned agencies. We shall find that our available manpower is wholly unable to cope with thousands of individual racketeers.

(e) "Butterlegging" would be easy. Testimony on oleomargarine legislation in hearings before both Senate and House committees revealed that it would be relatively simple to switch packaged yellow oleo into standard butter cartons. Such an operation would require only 2 or 3 minutes per package and could be performed by nonskilled workers. A profit of up to 40 cents a pound could be realized by such fraud.

A yellow oleo, legalized in interstate commerce, would make it simple, convenient, inexpensive, and even almost acceptable, to perpetrate such frauds.

(f) Fraud is actually already increasing. Last year the dairy industry reported a survey, which has never been refuted in any respect, and which showed that one out of three restaurants in a selected list of large cities was deceptively serving oleo for butter. The 1949 Arkansas data, which I cite below, indicate a far higher proportion—double as much fraud.

Arkansas State law already embodies regulations similar to those contained in House bill 2023, but a survey in February, 1949, disclosed that 66 out of 100 Arkansas restaurants were violating oleo regulations. The current Senate Finance Committee report omits all reference to this survey.

(g) Labeling provisions of House bill are inadequate. The oleo bloc in Congress has frequently said that labeling provisions are ample protection against fraud. That this is not true is clearly shown by the following excerpts from a noted Supreme Court decision—*Carolene Products Co. v. United States* (65 S. Ct. 1, 323 U. S. 18):

In dealing with the evils of filled milk, Congress reached the conclusion that labeling was not an adequate remedy for deception.

Here a milk product, skimmed milk, from which a valuable element—butterfat—has been removed is artificially enriched with cheaper fats and vitamins so that it is indistinguishable in the eyes of the average purchaser from whole milk products. The result is that the compound is confused with and passed off as the whole milk product in spite of proper labeling.

FOURTH MAJOR ARGUMENT—THE OVER-ALL EVIL CONSEQUENCES OF OLEO LEGISLATION

Fourth. The economic consequences to all 48 States are staggering to contemplate.

(a) The heart of this Nation, speaking from a geographical standpoint and from many other standpoints—the

dairying Midwest—will inevitably suffer an economic blight if this legislation is enacted. Dairying has always constituted the most prosperous, the most advanced, enlightened segment of American agriculture. It pays the highest wages for farm labor. It is the greatest consumer of industrial products of any type of farming.

All types of farming are, in turn, a better customer for industry's products than is any other segment of our population. To strike at dairying, therefore, means harm to all American farming, and to strike at farming, in turn, means to push our entire Nation into an economic tailspin. It has been conclusively proven that practically all American depressions have begun by a nose dive in farm prices.

(b) In 1949 dairying suffered a loss in cash income by 25 percent. Indirectly, in States which depend upon dairying, that loss was far greater. If this loss continues, whole communities whole counties, whole regions of the Midwest will feel an increasing creeping paralysis. From the step where the farmer mortgages his farm, sells his animals, it is only a short step to the businessman in the village closing down his enterprise and the bank closing its doors. When the farmer stops buying, the factories of the Nation will have inevitably to reduce production and in many instances close down completely. If any of my listeners feel this is an exaggeration of the consequences of this legislation, let him remember that these are not my predictions. These are the conservative estimates of men who have devoted a lifetime to studying the dairy industry.

(c) Dairying operates according to basic laws. Unless a butter market is available in the flush season, it is inevitable that the farmer will have to cut down his year-around output of milk, and this will start the chain reaction I have referred to above. It follows necessarily that with the dairy income cut and the Nation's income and the manufacturer's income cut and labor's income cut, there will not be much left for the Government to get its taxes from.

SOUTHERN FARMER WILL NOT BE HELPED

(d) Some may argue that dairying's loss will be the South's gain. Nothing could be further from the case because dairying is a far better customer for the southern farmer than the oleo industry is. If dairy herds are liquidated, a tremendous amount of soybean meal and cottonseed meal will find that it has lost its market.

I personally feel that, perhaps, we could have been engaged more profitably here in the Senate in these last 2 weeks if, instead of the cotton representatives seeking to take over the butter market and we seeking to preserve the same for the 2,500,000 dairy farmers, if instead of that we all had put our brains to work so as to get a better way of distribution for the surpluses in both cotton and butterfat.

(e) Dairying gives to the farmer a better return than does oleo ingredients. The farmer gets around 70 percent of the retail dollar paid by the consumer for butter. By contrast, the farmer gets

only 30 percent of the retail dollars paid by the consumer for oleo.

WHY FOLLOW CONTRADICTORY POLICIES ON DAIRYING?

(f) It is completely inconsistent for the Government to be supporting declining dairy prices on the one hand and to take an action which will mean further declining in dairy prices and expenditures by the Government in order to fulfill legal requirements for parity support.

Through last November 16 the Department of Agriculture had purchased, in supporting prices of producers of milk and butterfat, 284,000,000 pounds of non-fat dry milk, 101,000,000 pounds of butter, and 22,000,000 pounds of cheddar cheese. This was at an expenditure of \$110,000,000. Lest, however, my colleagues think such dairy support was excessive, let me point out that the Commodity Credit Corporation has made loans on cotton each year since 1933 with the exception of 1936. The total of such loans amounted to a little less than \$3,000,000,000 through mid-1949.

UNITED STATES SOIL CONSERVATION INVOLVED

(g) Still another economic consequence is an uncountable loss to the top soil of America. Every agricultural expert who has ever testified before Congress has set forth the superiority of dairying to any type of field-crop farming. The dairy cow enriches the soil in a more efficient economic continuous way than is available through any other type of agriculture. Field crops have led to soil erosion, dust bowls, and economic blight, in whole States, as attested by such outstanding soil conservationists as the noted author, Louis Bromfield, and other farm leaders, and the United States Department of Agriculture.

So, if the Congress should unwisely act to cut the throat of the dairy cow—literally and figuratively, speaking, cut the throat of the mother of the race—it will at the same time be destroying the factor which assures the health of that precious 6 inches of United States top soil.

EXCERPTS OF LETTERS FROM WISCONSIN

Mr. President, I have in my office literally hundreds of letters sent to me by dairy farmers and other folks in Wisconsin pleading that the natural color of butter be protected in interstate commerce.

These letters were not dictated by \$150,000 a year executives sitting in plush offices, surveying a billion dollar oleo enterprise. These were signed by plain, humble folks owning 80, 100 or 120 acres, working sunup to sundown, breaking their backs day and night 7 days a week, 52 weeks a year trying to produce an ever finer natural product and asking only that they receive reasonable protection of the law.

DAIRY FARMERS ARE TRYING TO PROTECT MORE THAN OWN INTEREST

Cynics will scoff at these letters. They may say: "Huh. These farmers are only looking after their own interests." To be sure, Mr. President, they are, of course, looking after their own interests and they have a right to do so, be-

cause it is certain that if they do not, the oleo trust certainly will not.

But these farmers are thinking, too, of more than their own farms. These farmers are producing milk and butter and cheese for the Nation's youngsters and adults. They have known the deep satisfaction of contributing to the health of American bodies and, too, they have contributed to the health of America's soil. These are not robbers of the soil; they give to the soil whatever they take from it and even more. They are trying to preserve America's land heritage at the same time as trying to make a decent income for their wives and children.

These dairy farmers are not seeking to inflict any harm on the soybean farmers or the cotton farmers. On the contrary, as I have proved, they constitute the best customers of those southern farmers. All that they are seeking to do is to prevent themselves from being swindled, yes, to prevent the swindling of the American consumer.

WISCONSIN IS NOT THE LEADING BUTTER STATE

I am sure my colleagues in other States have received similar letters. I call attention to the fact that Wisconsin alone is not interested in this issue. In fact in 1948 only a small percentage of Wisconsin milk went into butter. Only 8.8 percent of the Nation's butter was produced in Wisconsin. But dairy farmers in the Badger State and elsewhere understand the critical tie-up in all 48 States between butter and other dairy products, and between butter and the Nation's soil.

Mr. President, I ask unanimous consent to insert in the RECORD some comments from Wisconsin dairy farmers.

There being no objection, the comments were ordered to be printed in the RECORD as follows:

COMMENTS FROM WISCONSIN DAIRY FARMERS

From Gleason, Wis.:

"DEAR SENATOR WILEY: I am a veteran of World War II with about \$12,000 mortgage on my dairy farm from which I am making a fair living. What would I do if the oleo people slip that repeal over on us dairy farmers—why, we just wouldn't be able to make a living."

From Neillsville, Wis.:

"I wish to express my appreciation for your fight against the oleo bill. * * * I am a veteran, I have been on the farm training program for 2 years now and we have discussed this problem a great deal and I feel that we, the dairy farmer, will suffer more than a great many farmers realize if this bill is passed. I am a dairy farmer on an 80-acre farm and I have a family with four children."

From Dresser, Wis.:

"I am writing you in the interest of the dairy farmer. With the wish that you earnestly and forcefully oppose this yellow-oleo bill. I am writing this as an individual farmer but I also represent about 327 patron farmers of Rock Ridge Dairy Co-op."

From Clam Falls, Wis.:

"I am writing to you regarding the efforts of the oleo people to be allowed to imitate butter by coloring it yellow so that it would pass as the real thing in place of what it is. I know that you will fight for us to prevent the legalizing of fraud for us farmers cannot leave our farms and stock to come to

Washington to fill the balconies of the Capitol protesting."

From Antigo, Wis.:

"In regard to the bill favoring oleomargarine, it don't seem right after we worked so hard for years to build up good herds that this bill should go through and substitutes be favored. There would be too many farmers who would have to discontinue dairy farming."

From Neillsville, Wis.:

"I am a dairy farmer and am quite concerned over the oleo question. To me the sale of untaxed colored oleo in competition with butter is only the beginning of other synthetic products in competition with dairy products."

"On my farm I practice soil conservation, which I can do in dairying, grasses, and long rotation of crops. Now, if I must raise cash crops because of no dairy-product market, it will not be in the best interest of soil conservation."

From Wausau, Wis.:

"We do not believe the average American consumer wants a substitute for the genuine. Whenever we visit in town, 990 prefer butter to oleo. We believe this bill is being pushed by the makers of oleo so they can make a few more dollars. How would they like it if the farmer would come up with an inferior product. They sure would squawk."

From Phlox, Wis.:

"I live in a community that is strictly dairy. My greatest ambition was to build up a good dairy herd, which I have accomplished. A World War I veteran, I have put everything I got into this herd. I am speaking for a lot of other veterans around here that has done a good job in building their herds but if we have to compete with oleomargarine we face a slim future; we can't just drop everything and move to the city as there is no industry around here."

Mr. WILEY. Mr. President, how much time have I remaining?

The VICE PRESIDENT. The Senator's time has expired.

Mr. FULBRIGHT. Mr. President, I now yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, since I first came to the United States Senate in 1941, I have constantly interested myself in the repeal of the unjust taxes and license fees which have been applied to colored oleomargarine.

In 1943 I urged the repeal of these fees by offering an amendment to the Revenue Act. I have appeared before the Senate Finance Committee at every opportunity since I have been here in an effort to urge the committee to report a revenue bill to the Senate with my amendment. My amendment has also been introduced as a bill in its own right.

We have been successful in bringing this legislation to open debate on the Senate floor on two separate occasions. My repeal measure was last offered as an amendment to the Revenue Act of 1948. Again, last year, I went before the Finance Committee in support of House bill 2023.

I am delighted that this measure is now before the Senate in its own right, and I congratulate the Senator from Arkansas and other Senators on their efforts.

The public demand for the removal of these taxes and license fees has reached the point that favorable congressional action can no longer be denied.

I am deeply concerned over the efforts being made to defeat this bill with crippling amendments. I beg the Senate not to defeat the bill in this manner. Even though I shall vote for repeal of some of the excise taxes at the proper time, I shall be forced to vote against these repealers as amendments to this bill. I hope other Senators will join me so that we may have an opportunity to vote this single important issue up or down. Let us then treat the amendments in a like manner in their turn.

I have long been an advocate of repealing most of the wartime excise taxes. However, such repeal amendments are not germane to this bill because the margarine tax is neither a wartime nor an excise tax. Let me remind my colleagues that this method will further retard the efforts for ultimate repeal of the excise taxes when they come to the floor in their own right. Furthermore, oleomargarine for the past 48 years has been handled in the Agriculture Committee, while excise-tax repeals must clearly originate in the House Ways and Means Committee.

The taxes and license fees on margarine need to be removed primarily in the interest of the consumer. The dairy interest charges of special Southern agricultural interest in margarine are both unwarranted and untrue. There is not a sufficient amount of cottonseed used in the manufacture of margarine to warrant any particular concern on behalf of the farmers. The great need for this tax repeal lies in the relief it will afford the consumers.

Under the present laws uncolored margarine is taxed at the rate of one-fourth of a cent a pound, while a 10-cents-a-pound tax is levied on colored margarine. The license fees are equally discriminatory. For example:

Retailers—	Pay
Handling yellow margarine.....	\$48
Handling uncolored margarine.....	6
Wholesalers—	
Handling yellow margarine.....	480
Handling uncolored margarine.....	200

Add to these figures a \$600 annual fee for coloring the product, and we can begin to see the unjustness of this discrimination both to the manufacturer and the housewife.

These complex and burdensome regulations make anyone coloring margarine yellow, and serving it to customers or paying guests, liable to a manufacturers' license fee of \$600 a year and 10 cents a pound tax on each pound so colored.

These regulations are understandable when we remember the quality of this product when it was first placed on the market and its one claim to consideration was its economy. The present tax and license fees were set by the Congress of 1902, 48 years ago. These were imposed after the crippling taxes and fees of the Oleomargarine Act of 1886. So it is that, after 64 years, the Federal Government still imposes the very same taxes on margarine, which is the only pure food in the land so restricted by national laws.

Mr. President, it is unthinkable, in the light of page after page of testimony such as has been given on behalf of this product, that these ancient and out-

moded laws should still rest among our laden statutes. These laws still stand despite the fact that a small army of witnesses has, in recent years, appeared before committee meeting after committee meeting. They have represented science; manufacturers; wholesalers; retailers; cotton, soybean, livestock, and peanut producers; labor consumers; and hospitals; and they have unequivocally urged the repeal of the discriminatory margarine taxes and license fees.

American margarine is made today from domestic vegetable oils—oils derived from soybeans, cottonseed, peanuts, and corn. Margarine has become the second largest user of soybean oil and also uses about one-fourth of all the cottonseed oil refined in this country. Farmers of 44 States produce the products from which margarine oils are taken. Because of the substantially increased demand for margarine, manufacturers are encouraging production of more of these farm products which produce these fine domestic food oils.

The issue at hand has been boiled down to two basic points: Color and definition of the word "manufacturer." The only basic difference between margarine and butter is that margarine is vegetable fat, butter an animal-fat product. There is actually no perceptible nutritive difference. Each offers about 3,300 calories per pound. The amount of vitamin A in butter varies according to seasonal and other factors; while in margarine it is maximum and uniform the year-round. Both products are equally digestible.

Report after report by medical associations and nutritional scientists declare margarine to be a nutritious, high-quality food.

An official definition and standard of identity was adopted by the United States Food and Drug Administration in 1941 under the Federal Food, Drug, and Cosmetic Act of 1938. Under it, margarine has a minimum fat content of 80 percent; the actual average figure is slightly more. The standard requires fortified margarine to contain a minimum of 9,000 U. S. P. units of vitamin A per pound. But 99 percent of all margarine is now fortified with 15,000 units of vitamin, the content always being shown on the label. This margarine fortification is endorsed by the American Medical Association and leading nutritionists.

The nutritional value of the product dispensed with on the word of competent authorities, we come to color.

Artificial color adds nothing to the direct nutritional value of foods. It is not nutritive in itself. But, by satisfying natural color perceptions in relation to the palate, it promotes digestion and thus indirectly aids the process of nutritive assimilation.

A product's "right" to any color is established by consumer preference. There is no patent or natural or common law trade-mark to yellow for butter, for example.

The argument that all that is being done, in the coloring of butter, is restoring a uniform yellow to the product, falls to the ground. For one thing, butter is not colored uniformly, but to meet

market demands. Thus, butter coloring is done to suit regional taste preferences—the New York market, I am told, generally prefers butter whiter than Wichita or Kansas City markets.

Butter is only one of the hundreds of food products using artificial coloring. Butter itself uses artificial coloring during most of the months of the year, because butter produced from cows on winter forage is pale yellow in color; frequently white.

Furthermore, the ingredient of butter, cream, has no more, or even less, claim to yellow than the ingredients of margarine, vegetable oils. Cottonseed, soybean, peanut, and corn oil are yellow in color, varying, of course, in degree. Nevertheless, in their natural state, they frequently could convey to the finished product a yellow tint. Because of this, the oil ingredients of margarine must be bleached to avoid the Federal tax of 10 cents a pound and the other penalties imposed on yellow margarine.

Artificial coloring is permitted by the United States Pure Food and Drug Administration when the colors used are certified United States Pure Food and Drug Administration colors. There are scores of those colors, each of which has been approved by the Administration. Under the Pure Food, Drug and Cosmetic Act of 1938, all food products using artificial coloring must label that fact. Margarine is made under a Pure Food and Drug Administration standard of identity and the yellow coloring, used in or packed with margarine, is so labeled. Butter, cheese, and ice cream, however, enjoy special and unique exemption from labeling artificial coloring under the act of 1923.

The effect of the Federal tax and other restrictions on yellow margarine has been to limit that food in production and distribution. In 1946, only 58,000,000 pounds of yellow margarine were produced compared with 514,000,000 pounds of uncolored margarine. A large share of the colored margarine produced was for Government purchase; the Government not paying the tax to itself.

Margarine is denied the use of yellow simply because the butter industry has misused its political power to drive a competitive product off the counter. This is discrimination and a violation of the American principle of fair, openly competitive business.

One of the most unjust points of the Federal law, at least from a monetary value, is the definition of the word "manufacturer". Under the regulations, restaurants, hotels, clubs, charitable institutions, schools, hospitals, churches, and other institutions are all liable to the manufacturers' license fee of \$600 per annum and 10-cents-a-pound tax for each pound colored. There is an exception, where an institution under the complete control of the United States, or a State or political subdivision thereof, in the exercise of an essential governmental function, colors margarine for use of inmates or employees of the institution.

It is my sincere belief that these regulations are pointedly designed to restrain the free marketing privileges of one group of manufacturers.

Such an archaic statute in our modern Federal code is almost as incongruous with free trade as the sight of an archer shooting arrows at a modern jet plane.

Mr. President, in the name of free enterprise, in order that this long-ignored discrimination may be corrected, I sincerely hope the Senate will finally take advantage of this opportunity to act favorably on a bill removing these taxes and license fees.

Mr. MAGNUSON. Mr. President, I submit an amendment intended to be proposed by me to the amendment in the nature of a substitute of the Senator from Wisconsin [Mr. WILEY], for himself and other Senators, to the pending bill, H. R. 2023, and I ask unanimous consent that an explanatory statement by me of the amendment be printed in the RECORD at this point.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the statement presented by the Senator from Washington will be printed in the RECORD. The Chair hears no objection.

The statement presented by Mr. MAGNUSON is as follows:

STATEMENT BY SENATOR MAGNUSON

AN AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE (JANUARY 12, 1949, VERSION) TO H. R. 2023

The amendment strikes from the so-called Wiley substitute of the oleomargarine bill all provisions dealing with excise taxes other than those related directly to oleomargarine itself.

Previously I made my position clear on this subject. I am for repeal or reduction of excise taxes on telephone, telegraph, transportation, etc., but I do not believe the oleomargarine bill a proper place to effectuate this objective.

A vote for my amendment should in no way imply that the Senator so acting is against repeal of the excise taxes listed in section 4. My purpose is very simple. I merely wish to keep the oleo-butter controversy entirely separate from the excise-tax question.

I intend to vote for the Wiley substitute, which repeals oleo taxes. At the proper time I intend to vote for repeal of excise taxes. As a matter of fact, H. R. 3905 is now on the Senate Calendar. It can be called up at any time. It deals with many of the same excise taxes as are contained in section 4 of the Wiley substitute. I myself have an amendment lying on the table to H. R. 3905, which proposes to repeal the 3-percent excise tax on transportation of freight.

Mr. FULBRIGHT. Mr. President, I yield 10 minutes to the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. Mr. President, there has been considerable discussion during this debate as to the vote recently taken in my State in regard to the manufacture and sale of colored oleomargarine. Many years ago, in fact in 1912, we authorized in the State constitution of Ohio the initiative and referendum. From year to year, more or less regularly, there have been presented to our legislature various bills to make legal the manufacture and sale of oleomargarine in Ohio. None of them had passed until year before last, when an initiated petition was filed in the legislature to bring the subject, as a matter of constitutional right, before the general assembly. The assembly did not approve

the bill as initiated by petition. The referendum provisions were taken advantage of by the proponents of the bill, and a referendum to a vote of the people was made possible through a referendum petition. A vote was had at the election in November 1949. There has been a great deal of discussion on the floor of the Senate as to what that vote proved and did not prove.

In the rural counties, of course, the vote against the manufacture and sale of colored oleo was not as strong as it would have been a few years ago, because of the increased planting and marketing of soybeans in my State, a by-product of which is used in the manufacture of oleomargarine.

I have calculated the vote, however, in the various counties, 43 of which voted for the amendment and 45 against it. The 43 counties, with the exception of 5, were what we might term the larger counties of the State, and 44 were what we might class, with the exception of a few, as the smaller counties of the State. I have calculated the vote in those counties which supported the amendment rather strongly, and I find that in the rural sections of those counties the vote against yellow oleomargarine was 399,000 and the vote for it was 308,000.

To clear up any thought that might be entertained that our farmers would vote either very strongly for or against the amendment, a majority were against it in the rural territories of Ohio, particularly in the smaller counties, and yet it was not such an opposition as could in any way influence the outcome of the total vote.

I have analyzed the vote in the cities, the cities including municipalities with a population of over 5,000 people, and villages, those municipalities having under 5,000 people. In 110 cities "yes" votes were in the majority in all but 7. In those 7 the "no" votes prevailed. In 563 villages the "yes" votes were in the majority, and in 203 villages the "no" votes were in the majority, and in 3 villages there was a tie vote.

In compiling the total vote, however, which was in favor of making legal the manufacture and sale of colored oleomargarine in Ohio, the vote for it was 1,282,606 and the vote against was 799,473, a majority of practically half a million votes.

Therefore, in Ohio, which for many years, practically half a century, prohibited the manufacture of colored oleomargarine, by a vote of the people, with almost half a million majority, the manufacture and sale of the product has been made legal.

As a result of that vote I think it would likewise be the expression of the people of Ohio that the tax should be removed from oleomargarine. The product is perfectly legal. It is a wholesome food, and there is no reason for the tax being maintained any longer, according to the judgment of the people of my State, and my own judgment also. Therefore I shall vote against the amendment and shall vote for the repeal of the tax.

Further than that, as Governor of Ohio, in cooperation with many Senators who have served in like position, we

have been attempting to break down trade barriers among the States of the Union. The subject has been on the agendas of the governors' conferences, and our action has been in the interest of the preservation of the whole system of government by breaking down the tariff barriers between the States and breaking down all trade restrictions. Such action has had a constructive public-interest purpose.

Therefore, Mr. President, I think it would be contrary to the intended purpose and all the activities of that organization of governors, which has been so constructive in its purposes and unanimous in its agreements on all resolutions it has considered, if we should fail to remove the tax and all possible barriers on the transportation in interstate commerce of any product which otherwise is legitimate.

Mr. WILEY. I yield 5 minutes to the Senator from Missouri.

Mr. DONNELL. Mr. President, although I am one of the Senators whose names appear on the amendment heretofore offered by the senior Senator from Wisconsin [Mr. WILEY] to H. R. 2023, I have, before arriving at a conclusion as to whether to cast my vote for or against the amendment, nevertheless, reexamined the subject matter of H. R. 2023 and of the amendment.

I have concluded to vote for the amendment so offered by the senior Senator from Wisconsin. The amendment, as does the bill itself, strikes out the taxation provisions, applicable to oleomargarine, of existing Federal law. Those provisions constitute a tax levied on or with respect to one single food product. I think the elimination of them is sound.

House bill 2023 would, in my judgment, injure the dairying industry. The extent to which that industry would be injured by the bill is a subject on which opinions may differ. Eminent Members of the Senate who are in position to be informed on the subject matter have, however, in the argument which has ensued, clearly indicated their view that extremely serious injury to that industry would result from the passage of the bill.

The importance of preserving the prosperity of the dairying industry cannot be seriously questioned. Not only is that industry of substantial importance to dairy farmers from the standpoint of their own income, to the public as consumers, and to the Nation as a whole, but, in addition, that industry is specifically of great importance to the conservation of the soil.

The provision of the amendment declaring unlawful the manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce as yellow oleomargarine, or in connection with the production of yellow oleomargarine for shipment in commerce, prevents the competition, in interstate commerce, of yellow oleomargarine with butter.

I am of the opinion that the provisions contained in the amendment are advisable. I shall, therefore, vote for it.

Mr. FULBRIGHT. Mr. President, I yield myself 10 minutes.

The VICE PRESIDENT. The Senator from Arkansas is recognized for 10 minutes.

Mr. FULBRIGHT. Mr. President, I have already discussed the bill at length, and I do not propose to go back over the substance of the argument. However, much has been said about the public interest in this matter, and it seems to me some of the recent editorials, from some of the leading newspapers, are pertinent at this moment.

I speak particularly of a newspaper such as the New York Times, which is not merely a local newspaper in New York City or New York State, but is commonly known as the editors' paper, and practically everyone in this country has respect for the judgment of the New York Times. There has been comment in this newspaper on this matter heretofore, but I think at least a part of this morning's editorial is worth quoting, with particular reference to the Wiley amendment.

Mr. President, this amendment was very cleverly drawn. It purports to repeal the taxes, and in a sense leaves the impression that it is in accord with the objective of those supporting the bill itself and that there is only a slight difference between the two proposals.

One of our colleagues the Senator from Minnesota [Mr. HUMPHREY] last week said that the Wiley amendment was in accord with the platform of the Democratic Party. I merely wish to say that I disagree with that view. I think it is less than frank. I think it is a disingenuous argument. I note that practically every newspaper which has commented on it agrees with this view.

The New York Times of today, January 17, says:

AT LAST, A MARGARINE VOTE

Senate opposition to margarine has at times skated to the brink of filibuster. Non-germane subjects such as luxury taxes and civil-rights amendments have been intruded, to befog the issue. But, when all is summed up on the eve of the first votes, Senator JOHNSTON of South Carolina has accurately simplified the situation in saying: "Today it is a case of the butter boys against justice."

Today we shall see whether the majority of our Senators represent 150,000,000 consumers or whether the butter lobby, representing a fraction of our population, still has the Senate in its pocket. If the Senate wishes to reflect the people's wishes, we remind that body of the vote April 1, 1949, in the House, which we believe spoke the consumer's mind. It was 287 to 89 for the bill that would repeal all restrictive taxes and permit interstate shipment of colored margarine. A preliminary vote, to strike out a proposed ban on interstate shipment, favored free trade by 242 to 137. Our Senators will be on trial today, with the American people watching to see whether they are legislating for the few or for the many.

Strangely enough, in this instance the other leading newspaper of the city of New York, which is also a national paper, and is generally considered a Republican paper, the New York Herald Tribune, contained a very excellent editorial to-

day, January 17, with regard to the Wiley amendment. I wish to cite merely one or two paragraphs. The point is that the tax which has existed on oleomargarine has never been a tax in the sense of a revenue tax, such as an income tax or a true excise tax. The sponsors of the legislation made it clear that they did not expect it to produce revenue, but that it was for the purpose of regulation.

The Wiley amendment itself merely changes the character of the regulation. The fact that it is a tax is merely incidental. It abolishes one regulatory method and then applies one that is even more serious, and I should prefer that the legislation on this whole subject remain as it is, rather than accept the Wiley amendment.

I quote now from the New York Herald Tribune of this morning with reference to the Wiley-Gillette amendment:

Shabby as this dodge is, it appears to have the support of some statesmen from whom we have had reason in the past to expect better things. When the vote is taken we shall be able to identify those Senators, and we hope there are few, who preach free competition as the pride and sheet anchor of the United States and urge an integrated, open market as the salvation of Europe, but who are prepared in practice to fragmentize the United States economically. Passage of the transparently unfair amendment would set up interstate barriers against the sale of a commodity that consumers should be free to buy or not to buy as they choose.

The debate over the antimargarine laws has been much too effective in fulfilling the real function of debate—to clarify issues. It has exposed the unattractive truth of discrimination underlying the double-talk and specious reasoning employed by the defenders of barriers to commerce and consumption.

Senators who vote to repeal margarine taxes are acknowledging that the production and sale of colored and uncolored margarine are in the public interest. Senators who vote to ban margarine from interstate commerce are simply labeling themselves as servants of a pressure group, not public servants.

Mr. President, the editorials which I have cited are typical of many others. I do not expect to read the others. I merely refer the Senate to the editorial in this morning's Washington Post, and I ask that it be inserted at this point in my remarks. It is entitled, "Margarine Vote."

The VICE PRESIDENT. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MARGARINE VOTE

The Wiley-Gillette amendment offered as a substitute for the House bill repealing Federal excise taxes on margarine, on which the Senate votes today, is also a repeal measure; but, unlike the House bill, it proposes to ban interstate commerce in yellow margarine. If the Senate approves this bill, it will be a triumph for the dairy interests that are behind it. We agree with Senator FULBRIGHT, who has led the fight for repeal of the discriminatory excise taxes that it would be preferable to leave the existing legislation in effect rather than outlaw shipments of colored margarine. For the substitute amendment, instead of removing obstacles to free competition between butter

and margarine, would impose new competitive handicaps on the margarine industry by further restricting the area within which yellow margarine could be sold.

Spokesmen for the dairy interests actually have the effrontery to argue that this wrecking substitute amendment would protect the rights of the States by allowing them to decide whether or not yellow margarine shall be sold within their borders. As a matter of fact, it would deprive 15 of the 32 States permitting sales of the colored product of access to sources of supply, since they have no margarine plants of their own. Of course, plants might be constructed in these 15 States. However, as Senator FULBRIGHT points out, quite a number of them do not have sufficiently large populations to provide adequate market outlets justifying investments in new plants.

Another phony argument in favor of the proposed interstate ban on shipments of yellow margarine is that it would give added protection against fraudulent substitution of colored margarine for butter (a danger, by the way, greatly exaggerated by the dairy interests). On the contrary, if interstate trade in yellow margarine were prohibited safeguards against deceit and fraud would be less effective, because yellow margarine would no longer be subject to the protective provisions of the Federal Pure Food Act. Under the House bill, on the other hand, which the dairy interests insist would encourage fraudulent practices, yellow margarine would still be subject to the stringent protective provisions of Federal regulatory law. Evidently Senators who claim that the Wiley-Gillette amendment would give added and necessary protection against so-called butter-legging are either ignorant or disingenuous—willing to play on fears and emotions, and base their case on arguments that they themselves do not believe in.

If the substitute amendment should pass, we hope that the House will refuse to accept Senate modifications that would defeat the basic purpose of its own bill: namely, to free the margarine industry from legislative restrictions that protect the dairy industry from the competition of a cheaper and equally nutritious product. It would be a shabby legislative trick to repeal taxes that obstruct fair competition only to replace them with discriminatory prohibitions of an equally or even more oppressive nature.

Mr. FULBRIGHT. Mr. President, I also hold in my hand an editorial from last night's Washington Evening Star, of January 16. I wish to quote one sentence from it:

Masquerading under the favorable appearance of a tax-repeal measure, this carefully thought-up amendment nevertheless would hamstring the margarine industry almost as effectively and unfairly as the present punitive taxes on the butter substitute. It would make it a Federal offense to transport yellow margarine in interstate commerce.

Whatever the effect on the butter industry, there is no justification for setting up an interstate commerce ban designed to protect manufacturers of one good food product from fair market competition by producers of an equally good food product. The Wiley-Gillette amendment should be roundly defeated, preliminary to repeal of all Federal taxes restricting the manufacture and sale of margarine, whether transported in interstate commerce or not.

Mr. President, I ask that the entire editorial be included in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT SHOULD BE DEFEATED

Coming up for a vote in the Senate tomorrow is a proposed substitute for the margarine tax-repeal bill that is so lacking in merit as to deserve complete and unequivocal rejection by the lawmakers. This last-ditch compromise by the bitter-end opponents of a fair deal for oleo is known as the Wiley-Gillette amendment.

Masquerading under the favorable appearance of a tax-repeal measure, this carefully thought-up amendment nevertheless would hamstring the margarine industry almost as effectively and unfairly as the present punitive taxes on the butter substitute. It would make it a Federal offense to transport yellow margarine in interstate commerce. Such a prohibition could be justified, morally at least, only on the ground that yellow margarine is a dangerous product which should be barred from crossing State boundary lines in the interest of public safety. It is on such a thesis that the Federal Government has outlawed the movement in interstate commerce of harmful drugs, diseased livestock, fraudulent mail, and so on.

But even the most extravagant charges against margarine have not included any serious allegation that the nutritious vegetable compound is dangerous to health or is a menace to public safety. On the contrary, a mass of convincing evidence has been produced to show that it is fully as nourishing and tasty as the finest dairy butter. The only interest that would be hurt by the free competition of margarine for public favor is that of the butter industry—and there is reason to doubt that the effect of this free competition would be as adverse to butter as has been represented by the anti-margarine forces.

Whatever the effect on the butter industry, there is no justification for setting up an interstate commerce ban designed to protect manufacturers of one good food product from fair market competition by producers of an equally good food product. The Wiley-Gillette amendment should be roundly defeated, preliminary to repeal of all Federal taxes restricting the manufacture and sale of margarine, whether transported in interstate commerce or not.

Mr. FULBRIGHT. Mr. President, one interesting editorial, which I think is worth noting, appeared in the Des Moines Tribune, which is one of the leading newspapers of the great State of Iowa, which State has had the great good sense to send to us a very fine Senator, the junior Senator from Iowa [Mr. GILLETTE], who is one of the cosponsors of the pending amendment. I wish to quote a word or two from the Des Moines Tribune. The editorial is quite a long one, and I do not wish to take the time to read it all, but I do ask that the entire editorial be inserted in my remarks at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUTTER PROTECTION DOESN'T REALLY HELP

The oleomargarine tax issue is the first item of business scheduled for the Senate as the new session opens. The House passed an oleo tax repeal bill last session.

Undoubtedly many midwestern Senators will try to delay passage of the margarine tax-repeal bill again. Being in favor of the dairy farmer and opposed to the coconut cow is as traditional in the North Central

States as being for race segregation in the South. A few midwestern Representatives from large cities have swung to the oleo side in recent years, but the average Congressman from this part of the country dares not give oleomargarine equality in the market with butter.

It is an emotional, unreasoning position—this insistence on protection for butter in the competitive race. It no longer fits the economic facts.

In the first place, oleomargarine consumption is growing steadily at the expense of butter. Restrictive legislation in many States and by the Federal Government has not prevented this. So, at best, the 10-cent tax on colored margarine appears to be a futile effort to hold the butter market.

Secondly, consumers are demanding more and more whole milk and whole milk products. This tends to reduce the production of butter. Attempts by the butter manufacturing industry to keep the dairymen tied to a butter market are not in the best interests of the producer. Dairymen stand to gain most by switching to a whole-milk market, improving sanitation (not so essential when cream alone is sold for making butter), and commercializing or specializing to a greater degree. Butterfat production in the Midwest has been a sort of side-line enterprise on many farms and has not been as efficient as it should be.

Third, midwestern farmers have a big stake in expanding the margarine market nowadays, since they are heavy producers of soybeans. Protecting the market for butter at the expense of margarine is not a net gain to midwestern farmers, by any means.

The changed economic situation indicates that dairy-State Congressmen would be more help to their dairy farmer constituents if they supported legislation to stimulate conversion of the dairy industry to a whole-milk system.

Instead, they have consistently pushed two lines of protective legislation which tend to freeze dairy farming into its present pattern. One is the maintenance of State and Federal oleo tax laws and color restrictions. The other is high price support for butter.

Butter is pegged at 90 percent of parity, and the Government has piled up 130,000,000 pounds of it in storage. In the last Congress, dairy-State Representatives got dairy products added to the mandatory list of price support commodities. Secretary Brannan has announced that butter will be supported at 60 cents a pound next year.

This is too high a price for butter under present conditions. It probably will add to the surplus. It will be helpful to the margarine industry, also.

Yet, in the next few days midwestern Senators will be talking about defending the dairy farmer's competitive position—while actually hindering healthy change in the dairy industry.

Mr. FULBRIGHT. Mr. President, I quote from the editorial. Referring to the pending legislation, it says:

It is an emotional, unreasoning position—this insistence on "protection" for butter in the competitive race. It no longer fits the economic facts.

Secondly, consumers are demanding more and more whole milk and whole-milk products. This tends to reduce the production of butter. Attempts by the butter-manufacturing industry to keep the dairymen tied to a butter market are not in the best interests of the producer. Dairymen stand to gain most by switching to a whole-milk market, improving sanitation (not so essential when cream alone is sold for making butter), and commercializing or specializing to a greater degree. Butterfat production in the Midwest has been a sort of side-line en-

terprise on many farms and has not been as efficient as it should be.

Third, midwestern farmers have a big stake in expanding the margarine market nowadays, since they are heavy producers of soybeans. Protecting the market for butter at the expense of margarine is not a net gain to midwestern farmers by any means.

This is exactly the point I made the other day. It is here confirmed by one of the leading newspapers of Iowa, which is the largest butter-producing State in the United States.

The next point upon which I insisted in my initial statement, and which was very vigorously denied by the leading sponsors of the substitute, is one I especially call to the attention of the Senator from Iowa [Mr. GILLETTE] and others who are interested, I am sure, in the dairy industry. I continue to read from the editorial in the Des Moines Tribune:

The changed economic situation indicates that dairy-State Congressmen would be more help to their dairy-farmer constituents if they supported legislation to stimulate conversion of the dairy industry to a whole-milk system.

The VICE PRESIDENT. The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. I yield myself three more minutes.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point a very interesting editorial which I do not have time to read. It was published in the Kingman, Kans., Journal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

YELLOW SENATORS FIGHT YELLOW OLEO

One of the first acts to be considered in the second session of the Eighty-first Congress is the bill to repeal the tax on oleomargarine. This bill passed the House of Representatives in the first session although it had to be forced out of the Agricultural Committee. It is now before the Senate for final action.

This discriminatory tax has been in effect 63 years, in spite of the protests of the housewives who have been forced to perform the useless and unpleasant chore of mixing the yellow coloring matter into the oleo with a paddle, food mixer, or some other manual way, which could have been done by the manufacturers practically without cost. Incidentally, this harmless vegetable coloring matter is exactly the same as that used by every manufacturer in the country to make the butter yellow. Yellow is no more the natural color of butter than it is of oleo, except when cows are on wheat or grass pasture, and even then the coloring is added.

Oleo manufacturers must pay a tax of \$600 a year and wholesalers \$480 a year if they distribute colored oleo and \$200 a year if they sell only the uncolored product. Retailers must pay a license of \$48 for the colored and \$6 for the uncolored oleo. In addition to this, there are 16 States, of which Kansas is one, which levy a State tax on oleo. All of which is, of course, added on to the price the consumer has to pay.

No longer can the dairy interests put up the specious argument about the lack of nutritious values and wholesomeness of oleo, and that the customer should be protected. There may have been a little merit—but not much—to this argument when oleo was an animal-fat product, but that has long since disappeared by the use of vegetable oils, such as cottonseed oil, and other elements which scientists claim make it the equal of butter in food value. This stand by the dairy inter-

ests has been abandoned and their only hope now is to fight a rear-guard action and try to ban shipment of yellow oleo in interstate commerce.

Before the war the consumption of butter was about 17 pounds per capita annually; now it is 10 pounds. The heavy tax on oleo has not prevented its increased sale. Americans are using about 6 pounds of oleo a year per capita as compared with 2½ pounds before the war. This latter increase has been due largely to the high price of butter. Millions of dairymen sell their cream and then buy oleo for their own use.

It would make little difference to the dairy interests if they never sold a pound of butter on the market. The Government is buying the surplus in order to keep up the price and the first of last month had \$60,000,000 invested in butter and still buying more. The Government also has a price support for cotton and at the same time levies a tax on oleo which cuts down the sale of cottonseed oil. It is not fair to the consumers to have to pay their share of the taxes for these price supports and then have to pay another tax on oleo because the price of butter is high. If the tax is not repealed now it will be because parliamentary trickery and political skulduggery is used to keep it from coming to vote. It will be worth watching to see how the two Kansas Senators act in the matter.

F. J. C.

Mr. FULBRIGHT. I merely use those editorials as examples of recent expressions of newspapers published in dairy-producing States which have furnished some of the leading advocates of the Wiley amendment.

Mr. President, the vote on the so-called Wiley amendment is obviously the test vote on the legislation. If that amendment should be adopted it would mean, for practical purposes, that the Senate has defeated the effort to repeal the restrictive legislation on margarine which has existed for some 64 years. If the Senators have any regard for the demands and wishes of the vast majority of the people of the country I cannot believe that they will insist upon the retention of this legislation on the statute books. Such genuine polls as the recent election in Ohio have shown that at least a great majority—I would estimate it to be in the neighborhood of 2 to 1—are in favor of the pending legislation, that is the legislation repealing the restrictions.

On two occasions the House of Representatives, the Members of which are as close to the people of the country as any group could be, since they are elected every 2 years, has voted by a majority of approximately 3 to 1 to repeal the existing law. The House of Representatives turned down, by the same majority, the precise legislation as represented by the Wiley-Gillette amendment.

I may say that I do not think the House of Representatives would accept the Wiley-Gillette amendment at all, and, of course, if the Senate should insist upon approving the Wiley-Gillette amendment it would result in our being in a position of stalemate with the House. I cannot believe the House will accept such an amendment, and I sincerely hope Senators will search their consciences before casting their votes on the question, and will reject the Wiley-Gillette amendment.

Mr. FULBRIGHT subsequently said: Mr. President, I ask unanimous consent

to insert as part of my remarks previously made, a telegram received yesterday from an eminent doctor in my State, Dr. D. E. White, relating to the question of the quality and healthfulness of oleomargarine as compared to butter.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

EL DORADO, ARK., January 15, 1950.
Hon. J. W. FULBRIGHT,
United States Senator,
Senate Office Building,
Washington, D. C.:

As an aid to you in your fight to eliminate the unfair taxes on oleomargarine actual statistical data as confirmed by medical science reveals oleomargarine to have a greater food value to the human body than does butter. Oleomargarine has been highly fortified with vitamins and other important health giving substances and is not only as good, but is better for human consumption than is butter. Furthermore it is much more clean and sanitary than butter from the time it is prepared until it ultimately reaches the consumer. Am sure you can readily obtain actual statistics for the sake of comparison but if not, I will be glad to assist you and refer you to proper source for factual data.

Your friend,

D. E. WHITE, M. D.

Mr. WILEY. Mr. President, I yield to the junior Senator from New York [Mr. LEHMAN] 5 minutes.

The VICE PRESIDENT. The junior Senator from New York is recognized for 5 minutes.

Mr. LEHMAN. Mr. President, during the past 10 days I have spent much time in studying the pending legislation to repeal the excise and licensing taxes on the production and marketing of oleomargarine. I have also studied, with deep interest, the substitute measure sponsored by 26 Members of the Senate proposing to prohibit the shipment in interstate commerce of oleomargarine colored a particular shade of yellow.

This legislation is of special and particular interest to me because it involves one of the large sectors of the economy of New York State—the dairy industry. It is also of interest to me because it involves the consumers of New York, although to a lesser extent than those of other States. Finally, this legislation involves legal and economic questions of wide and ramifying importance to the entire Nation.

In the campaign preceding the special election in New York State last November, I told the voters of New York that I would vote against the excise tax on oleo. I believed then—and I still believe—that a discriminatory influence exercised in favor of one domestic industry and against another by the use of the Federal taxing power is wrong in itself. I believed—and I still believe—that an excise tax on a product such as oleomargarine is a tax on the consumer and not on the industry. When that tax is borne by the group in the population least able to support it, it is immoral.

But today the question is not one affecting the tax. We are all agreed that this special tax—the excise tax on oleomargarine—must and will go. Today the question is whether the Federal Government shall substitute for that tax a prohibition on the shipment in inter-

state commerce of all oleomargarine or margarine which is colored yellow in imitation of butter. After much deliberation, I have decided to vote in favor of that prohibition. I shall state, as briefly as I can, why I have so decided.

My reasons are simple and direct. I believe that oleomargarine or margarine colored yellow is, without doubt, an imitation of butter, so designed and so colored as to invite the housewife and the restaurant keeper to use it as butter. Although it may be labeled in letters four inches high on the carton, it is not so labeled when it reaches the dinner table, either in the home or in the restaurant. No one says, "Please pass the oleo."

First. I believe that the dairy industry should be protected against the obvious imitation of its product, just as soap manufacturers and others are.

Second. I believe that the consumers—the men, women and children at the dinner or restaurant table—should be protected against this imitation, as far as the Federal power can logically go without invading the prerogatives of the States.

Third. I believe that the manufacture of oleo is controlled in a monopolistic manner, and that the price of the oleo manufacturers' product is based as much on what the traffic will bear as on the cost of production.

Fourth. I believe that the entire dairy industry—including that of New York—which is one of the leading dairy States of the Nation—would suffer great damage, with consequent ramifications throughout the structure of American agriculture, unless the proposed substitute amendment should be adopted.

Fifth. I believe that there is a point at which a decrease in the returns of dairy farmers will be harmful to the entire national economy, including industrial workers. Such a point might be reached without the protection of the Wiley-Gillette substitute.

Sixth. I believe that the profits of the oleo industry, and the fact that the cost of production of oleo is lower than that of butter, are based in some measure on the lower costs of farm and factory labor in the southern States where oleo is produced and manufactured.

Seventh. I believe that foreign producers of vegetable oils will benefit as much, if not more, than domestic oils producers from a vast expansion of oleo production in this country, and that this foreign production is based on the most exploited and underpaid labor in the world.

Eighth. I believe that the consumers who need and should get a butter substitute at a price cheaper than butter should be able to get a substitute, not an imitation, at its minimum price, and not be required to pay premium prices for a coloring in order to deceive themselves and their families into thinking that they are getting butter. Oleo can and should develop its own market.

Mr. President, it may very well be that in the long run it would be desirable that fortified and enriched oleomargarine should replace butter in

everyday use, and that eventually butter should be a luxury item. This eventuality presupposes, of course, that the cost of production of such oleomargarine shall continue to be considerably lower than that of butter.

To permit such an eventuality, however, it is essential that we proceed along two definite and difficult lines. The first is to launch an integrated and far-reaching program to help the dairy industry adjust the transfer of production from butter to other dairy products. Few people realize, and yet it is a hard fact, that the dairy industry is one of delicate interrelations reaching into the whole field of animal agriculture, the live-stock industry and soil conservation. It is one of the most complex industries in the American economy. To tamper with one aspect of it without considering the impact upon the others is to play games with an economic atom bomb.

Mr. President, I have no ready solution. Yet, one must be worked out. It will take deep consideration and study, but until such a solution is found, I do not think that we dare strike a body blow at the butter industry which has already suffered a critical shrinkage of its market because of oleo.

On the second front, we must strike and strike hard at the monopolistic nature of the oleomargarine industry. If we are to depend upon that industry for a substantial and major part of a food which is so essential to our daily life, we must insure that the freest and fairest competition exists in that field. There are 3,500 creameries in the United States and only 28 oleomargarine plants. I cannot in good conscience favor an industry in which one or two major combines control the entire output at the expense of an industry so widespread, involving so many of our farm producers.

For these reasons, Mr. President, I shall vote in favor of the Gillette-Wiley substitute. If it is defeated, I shall, in any event, vote for the repeal of the excise taxes which represent, to my mind, an unfair and improper use of the Federal taxing power, oppressing the consumer without bringing a commensurate benefit.

Mr. FULBRIGHT. Mr. President, I yield to the senior Senator from Georgia [Mr. GEORGE] what time he desires.

The VICE PRESIDENT. The Senator from Georgia is recognized.

Mr. GEORGE. Mr. President, a motion has been made to strike from the amendment in the nature of a substitute all those parts and parcels repealing or reducing excise taxes, except, of course, the tax on oleomargarine. Since there will be no discussion, obviously, of this particular point, I wanted to make some remarks concerning it.

Mr. President, my position on the wartime excise taxes is very well known. For many months I have said that those taxes should be either reduced substantially or should be repealed. But I strongly oppose the attempt to repeal or to reduce any of the wartime excise taxes in this bill.

In the first place, Mr. President, the bill now before the Senate originated in the House Committee on Agriculture.

For nearly half a century the Committee on Agriculture has had jurisdiction of oleomargarine and of legislation dealing with it. Therefore, if this bill should pass with the excise taxes reduced or repealed thereby, the conference between the Senate and the House would be composed of members representing the Senate Finance Committee and representatives of the Agriculture Committee of the House of Representatives. That would obviously be most unfortunate, and would create a conflict between committees in the House and in the Senate on a jurisdictional question.

It would be most unfortunate for another reason which I think should appeal to all Members of the Senate: If we are to repeal the excise taxes or to reduce them, then certainly the taxing committee in the Senate should have the advantage of the judgment and experience of the members of the Ways and Means Committee of the House of Representatives who have given long years of study to our tax program. If it were a mere matter of removing the excise taxes, it might be said with some show of reason that the House Agriculture Committee could as well do that as anyone else could. But if we remove the excise taxes, we must eventually and inevitably be called upon, whatever we may decide about them, to consider at least a recommendation for some compensatory increases in tax rates so as to make up for the loss of revenue incident to the drastic reduction or repeal of the excise taxes. In the consideration of that important matter, is not the Senate Finance Committee entitled to have the advice and cooperation of those Members of the House of Representatives who serve on the Ways and Means Committee and who have given long study not merely to excise taxes but to the question of raising additional revenue or raising revenue generally? To attempt to repeal all excise taxes on this bill is obviously unfair; it is obviously unwise; and it will defeat the purpose of those who have offered, and I assume in good faith, to eliminate in whole or in part the wartime excise taxes.

Frankly I think they should be eliminated, or drastically reduced if they cannot be eliminated entirely. But this bill deals not with wartime excise taxes but with the oleomargarine tax, which has been imposed, at one rate or another, for 60-odd years. It is not a wartime tax in any event.

In the second place, the most burdensome part of this tax lies in the fact that it is not so much an excise tax, but is an occupation tax; it is a license on the manufacturer, the wholesaler, the retailer of oleomargarine. Therefore, Mr. President, the amendment seeking to modify or repeal the wartime excise taxes should not be placed on this bill.

Mr. President, I express the hope that the amendment offered by the distinguished Senator from Washington [Mr. MAGNUSON] will prevail, and that the provisions dealing with the wartime excise taxes will be stricken from the bill. I warn the Senate and the country that if that is not done, probably there will be no legislation upon excise taxes at this session of the Congress. Not only do I

think the wartime excise taxes should be repealed or modified, but I think action should be taken quickly in order to prevent what now is taking place, namely, some stagnation in the sale and merchandising of the articles on which the excise taxes are imposed.

But if we follow this course, it may result in defeating the effort to repeal the oleomargarine tax; and it undoubtedly will, I think, result in defeating any effort to deal with excise taxes at this session of the Congress, because the House committee would certainly raise an issue, and we would be confronted with a condition which we could not overcome.

Mr. President, I wish to say one word about the Wiley substitute. It has been blandly accepted here that it is entirely constitutional. I seriously doubt it. Undoubtedly it is true that the interstate and foreign commerce clause of the Constitution must be construed in connection with other related and pertinent provisions of the Constitution. In other words, the interstate and foreign commerce clause cannot ignore the fifth amendment, the due process guaranteed in the fifth amendment to the Constitution; and therefore it has always been held, in all the rightly and well-considered cases, that there must be some reasonable relationship between the prohibition or regulation imposed and the legitimate control or regulation of commerce.

Mr. President, what is the Wiley substitute? It does not outlaw oleomargarine. On the contrary, it merely outlaws a particular tint or color of oleomargarine. On the contrary, it recognizes the right to manufacture, ship, sell, and use oleomargarine in any form except when it has a particular tint of yellow. Not only that, Mr. President, but not a word is said here with respect to the particular tint of yellow which is described in the substitute amendment as being deceptive. It is said that oleo so colored is in competition with butter and that the competition is unfair because someone is deceived. Who is deceived, Mr. President? The most illiterate purchaser in my State and, I dare say, the most illiterate buyer of oleomargarine in any State, knows he is buying oleomargarine. The idea of the public's being deceived is so transparently baseless that I do not think it warrants discussion. Deceive, indeed. When shipped in interstate commerce, the color is not even disclosed. When shipped in interstate commerce, it bears the labeling required under both Federal and, in many instances, State regulations of food, and drugs, and cosmetics. When shipped in interstate commerce, no one knows the color or sees the color. What reasonable relationship is there between an outright prohibition or denial of the right of a particular tint of yellow oleomargarine—none other—to move in interstate commerce and the prevention of deception in interstate commerce, when the color is not even disclosed in that movement or is not even visible while the article is moving in interstate commerce?

We know that oleomargarine is transported in packages; we know that the packages carry labels and an analysis.

It is not in any sense a matter that is related—not even remotely related, in my judgment—to the regulation of commerce.

There must be borne in mind—and I wish to state this as the premise upon which I am making this statement—the origin and history of the commerce clause of the Constitution, and the primary purpose it was intended to serve, to wit, to make freer and easier commerce between the States, to permit things to move in interstate commerce, if you please, notwithstanding that one State, because of special interests in the State, might desire to prevent it. Not only because of its historic background and not only because of the consistent application of the commerce clause for a full century after the approval of the Constitution, but because of the fact that the prohibition of a particular tint of yellow oleomargarine bears no reasonable relationship to any legitimate regulation of commerce in margarine, beyond all doubt we cannot ignore the fifth amendment, which guarantees due process, in the application of the interstate and foreign-commerce clause of the Constitution.

Indeed, Mr. President, the Supreme Court itself has specifically said that the interstate and foreign commerce clause of the Constitution must be construed in the light of the fifth amendment, which guarantees due process.

But it is said that the filled milk case fits this case like a glove. Mr. President, the filled milk case is not a closely reasoned case, as I analyze it. But what did the filled milk bill do? Let us glance at it for a moment.

That bill passed the Senate a little while after I came here. I was ashamed of it; I was ashamed that United States Senators would, after so long a time, merely to protect one particular food product, outlaw another legitimate food product. However, the Congress did so. But it said this in the act—and I read now from section 2 of the Filled Milk Act:

It is hereby declared that filled milk, as herein defined, is an adulterated article of food, injurious to the public health, and its sale constitutes a fraud upon the public. It shall be unlawful for any person to manufacture, within any Territory or possession, or within the District of Columbia, or to ship or deliver for shipment in interstate or foreign commerce, any filled milk.

It is true, Mr. President, that at the trial of that particular case evidence was offered for the purpose of showing that filled milk, as then prepared or made, was not an adulterated food and was not injurious to the public health. But that evidence was rejected. The court then proceeded to say that because the public might be confused because of the second leg upon which the filled-milk bill originally stood, they would hold the act constitutional. That is true. I can see how the decision was made, although I think the reasoning is not too clear. It was an act which in the first place outlawed something. In the second place, it was

an act which said filled milk was an adulterated food; and in the third place, it said it was a fraud.

What does the Wiley amendment say? Does it say oleomargarine is a fraud? Not at all. Does it say it is an adulterated food? Does it say it is injurious to the public health? Not at all. It says that a particular tint of yellow oleomargarine is outlawed; that is to say, it cannot be shipped at all in interstate commerce. In order to prevent the shipment of a particular tint of oleomargarine, the Senate is asked to do the most drastic thing the Congress has ever been called upon to do—namely, to prohibit entirely the shipment in interstate commerce of this particular tint of yellow oleomargarine. White oleomargarine can be shipped. Oleomargarine of any color except this particular tint of yellow can be shipped. Is Congress to say that? Is Congress to turn completely around and begin to put up the bars against the product of one State as against another? I beg Senators not to do it. Coming from a State which has felt several times the effect of certain class legislation, similar to that here proposed, I beg Senators not to do it. It would reverse the current of history if it were undertaken to be done. I think it most doubtful that the Supreme Court, under this amendment, would say the act was constitutional, even if it were passed. Why do Senators want it passed? In the bill which the Finance Committee sent to the Senate floor we were most careful to preserve and protect all the States. Rewriting the House language upon that point, we said:

Nothing in this act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory.

That constitutes protection to the States. There are 32 States which now legalize the sale of oleomargarine. There are manufacturing plants in only 17 of them. Under the Wiley substitute, the 15 of the 32 States having no manufacturing plants within their borders would be denied the right to have a pure-food product shipped into their borders. I wonder what the sponsors of the amendment are thinking about. I wonder why the newspapers have not been more severe. I wonder upon what basis we can justify legislation of this kind, except upon the frank declaration that we want to protect a particular food product, desirable as that product is, necessary as that product is, against another food product which is nutritious, palatable, and not assailed here as being impure, and upon the pretense, as I have said, that only a particular tint of a particular food product is to be denied the right to enter interstate commerce. If the Supreme Court looks at the case, in the event the amendment is adopted and becomes a part of the law, the court may say it is not even remotely related to the underlying reason upon which the Filled Milk case was decided, and upon which many other cases, for that matter,

were decided, sustaining both Federal and State statutes.

Therefore, Mr. President, I hope, in the first place, that the provision to repeal all excise taxes will be stricken from the bill. I express that hope in the interest of obtaining some legislation at this session upon excise taxes. I also hope the substitute amendment will be defeated when the vote comes upon it.

Mr. FULBRIGHT. Mr. President, I yield 1 minute to the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. MAGNUSON. I have on the desk an amendment to the so-called Gillette-Wiley amendment. Is it in order now to call up the amendment, which in effect strikes out a portion of the Wiley amendment?

The VICE PRESIDENT. The Senator has not offered the amendment actually. He has had it printed, and it is lying on the table.

Mr. MAGNUSON. At this time I offer the amendment.

The VICE PRESIDENT. If no further amendment is in order to the substitute, the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to amend the amendment in the nature of a substitute by striking out section 4, beginning on page 5, line 3, through line 20, page 6.

Mr. MAGNUSON. Mr. President, all the amendment seeks to do is to strike from the Wiley-Gillette amendment the portion of the amendment which would repeal or modify the excise taxes, and that action is sought for the very able and cogent reasons stated by the distinguished senior Senator from Georgia [Mr. GEORGE]. I hope Senators interested in the repeal of the tax on oleomargarine—to which I am opposed—will not support the portion of the amendment which would modify the excise taxes.

We have heard an able discussion of this question by the distinguished senior Senator from Georgia. The Ways and Means Committee of the House and the Finance Committee of the Senate are giving consideration to the repeal or modification of the excise taxes. The subject does not belong in the pending bill, and, although I favor the modification of the excise taxes and also favor the Wiley amendment, I still think we should not have the tax repeal amendment made a part of the bill. I hope the Senate will so vote.

Mr. WILEY. Mr. President, I yield 3 minutes to the junior Senator from Minnesota.

The VICE PRESIDENT. The Senator from Minnesota is recognized for 3 minutes.

Mr. HUMPHREY. Mr. President, in the latter part of last week, it was my privilege to speak in support of the Gillette-Wiley substitute. At that time I emphasized that the bill which comes from the committee is not a bill in the

interest of the American consumer. I recognize that one of the principal arguments propounded by sponsors of the oleo legislation is, that by the removal of excise and other taxes on oleo, along with restrictions on color, the American consumer will be provided with a palatable, nutritious spread at much reduced cost. So, Mr. President, I wish to offer for the RECORD, and have included as a portion of my remarks, a survey which has been released by the American Butter Institute of Chicago. This survey was made by the merchandising division of the Reuben H. Donnelley Corp., nationally known and independent market research analysts. The survey brings to our attention some facts which need to be well studied before we take a vote on this important issue.

The substance of the survey is simply that, where we have uncolored oleo, the price per pound in the major cities of the United States ranges from 18 to 22 or 23 cents a pound; but where we have the colored oleo, which colored oleo should by the nature of the tax, increase the price about 10 cents a pound, thereby having an average price range of from 28 to 30 cents, we find that the price ranges from a high of 55 cents a pound to a low of 40 cents a pound. There is, in other words, by the mere fact of the addition of a small amount of color a price differential, which averages 23½ cents.

I bring this to the attention of the Senate, because the argument which has been placed before the American housewife and the American consumer is that the removal of all restrictions on the oleo product will mean a great reduction in the cost of living. The facts of price differential between uncolored and colored oleo reveal, however, that the price increase bears no relationship to the amount of the tax. In fact, colored oleo seems to provide a means of jacking up the prices to as high a point as the market will bear. The fact is, that profiteering takes place when we have colored oleomargarine as compared with uncolored oleomargarine.

Mr. President, I ask that the table which I send to the desk, and the remarks pertaining thereto, be incorporated in the RECORD as a part of my remarks.

There being no objection, the table, with the accompanying remarks, was ordered to be printed in the RECORD, as follows:

PRICE SPREADS—WHITE AND COLORED OLEO
(DECEMBER 27-30, 1949)

The following figures show the price spreads between yellow oleomargarine and white oleomargarine in 25 supermarkets in each of six cities, December 27-30, 1949. The figures represent posted prices in the several stores as reported and certified to the American Butter Institute, Chicago, by the merchandising division of the Reuben H. Donnelley Corp., nationally known and independent market research analysts. The figures do not include small independent stores where merchandising costs are presumably not as low as in supermarkets. Prices in some independent stores are re-

ported to be higher than those submitted herewith:

	Yellow oleo	Uncolored oleo	Difference between colored and uncolored
	Cents per pound	Cents per pound	Cents per pound
Fort Worth.....	49	19.0	30.0
Indianapolis.....	49	13.0	36.0
Louisville.....	45	18.0	27.0
Kansas City.....	45	17.0	28.0
Little Rock.....	45	17.5	27.5
San Francisco.....	43	21.0	22.0
Average.....	46	17.6	28.4

Average difference in price of colored and uncolored oleo, 28.4 cents per pound—almost 3 times the Federal taxes and license fees on yellow oleomargarine.

MEMORANDUM ON SURVEY

1. The difference of price in each city and the average difference for the six cities reflects the lowest and highest retail price for the two types of oleomargarine—colored and uncolored. It will be contended that the average comparison as stated above is not fair because similar brands of colored and uncolored oleomargarine were not taken to make such a comparison. However, it must be remembered that oleo is the same product throughout the country, with its ingredients being controlled by the standards of identity or definition promulgated by the Food and Drug Administration of the Federal Security Agency. Oleomargarine must contain 80 percent fat with other ingredients being water, emulsifier, artificial flavoring, salt, and chemical preservatives, etc.

2. A study of the prices of oleomargarine in the six cities showed an extreme variation among the colored spreads and the uncolored varieties, respectively, with prices varying up to 100 percent. However, prices of creamery butter, checked in the same 150 supermarkets, show only a 10 to 15 percent spread in any city and are relatively the same price in the various cities.

3. The average price of cottonseed and soybean crude oils for January delivery reported in the New York Journal of Commerce January 10, was 11 cents per pound. Each pound of oleomargarine contains only 0.8 of a pound of fat and, thus, the cost of the fat ingredient for each pound of oleo is only 8.8 cents. The other ingredients in a pound of oleo would not exceed 1 to 1½ cents. Add to this the labor involved and processing costs, and the six-city survey reliably proves that the retail price per pound of oleo results in a most liberal spread between the price of the raw ingredients, or farmers' share, and the price paid by the consumer.

4. Senator FULBRIGHT, of Arkansas, on January 4, introduced a survey which was the result of a questionnaire he had sent to several thousand grocers. Based on the replies they gave to the Senator's question, the average spread between white and yellow oleomargarine was only 10.8 cents per pound. It can be left to your own imagination as to whether the findings reported by trained, professional shoppers and investigators are more reliable than those uncovered by a mail questionnaire survey. It is an old saying in opinion research that the mail survey process shows only the "yes" vote. Those people who have time to fill in questionnaires, and like to do so, are particularly interested in the subject. Clearly a grocer responding to the Senator's question and knowing that the Senator from Arkansas was the leading advocate of yellow oleo, would not return a questionnaire unless his own spreads contributed to the general objectives of the Senator. On the other hand, the investigation by shoppers determines conditions as they actu-

ally exist with a sale being made and recorded at the prices reported in the survey.

5. One other observation should be made about the price spreads. The oleo manufacturers—the distributors of this butter imitation—and the retailers of the country have become greatly concerned over the publicity about price spreads distributed by the dairy interests. All the branches of the industry are policing these spreads, therefore, to try and make a good showing and avoid supplying any ammunition to dairymen.

Nevertheless, despite the fact that manufacturers, distributors, and retailers are all on notice about the necessity for holding down spreads, the wide margins reported in the Donnelley survey prevailed in December of 1949.

6. There is one other factor that distorts the survey reported by Senator FULBRIGHT that should be mentioned. It has been found that in every State where yellow oleo was legalized, manufacturers and distributors introduced the new product at an abnormally low price during the first weeks or months it was on sale. In many cases, and this is shown in the Senator's own survey, the yellow product was sold below cost with the manufacturer or distributor actually absorbing some part of the Federal tax.

The purpose of this, of course, is obvious. The idea of the price cutting was to try and capture a large proportion of the market right at the very time yellow oleo was first being introduced to consumers. Subsequently, of course, the price can be boosted. These abnormally low prices, however, distort Senator FULBRIGHT's survey. Taken in conjunction with the fact that the survey itself was conducted by mail, one can conclude the results are meaningless.

OLEOMARGARINE PRICE SURVEY, PRICE SPREAD
BETWEEN COLORED AND UNCOLORED OLEO-
MARGARINE IN VARIOUS CITIES, DECEMBER
1949

A survey made during December 1949 in various cities where both yellow and uncolored oleo are sold, indicates the range in prices at the retail grocery stores. Receipted sales slips and cartons are available to verify the purchases.

Price spreads—white and colored oleomargarine, December 1949

City and State	Yellow oleo	Uncolored oleo	Differ- ence in price
	Cents per pound	Cents per pound	Cents per pound
Terre Haute, Ind.....	55.0	19.0	36.0
Denver, Colo.....	44.0	18.0	26.0
San Francisco, Calif.....	41.0	19.0	22.0
Los Angeles, Calif.....	40.0	23.0	17.0
Cincinnati, Ohio.....	45.0	19.0	26.0
Cleveland, Ohio.....	43.0	28.0	15.0
Lima, Ohio.....	40.0	19.0	21.0
Nashville, Tenn.....	40.0	19.0	21.0
Enid, Okla.....	43.0	19.0	24.0
Average.....	44.6	20.3	23.1

The average difference in price of colored and uncolored oleo was 23.1 cents per pound—more than double the Federal tax and license fees.

Mr. HUMPHREY. Mr. President, I should like to make the further observation that colored oleo has been given a particular exemption which no other food product has ever been given, with the exception of one product, namely, mint jelly. I ask Senators who are experts on the Pure Food, Drug, and Cosmetic Act to tell us what product that agency has permitted to have artificially colored.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. WILEY. I yield one more minute to the Senator from Minnesota.

Mr. HUMPHREY. Mint jelly is permitted to be colored green. The only other food which is artificially colored has been oleomargarine. Within the past month or two the Food and Drug Administration prohibited the manufacturers of noodles to include yellow tomatoes, which are a natural food product. The manufacturers wanted to have yellow tomatoes used in order to impart a yellow color to the noodles. The administration said that if that should happen, it would appear to the consumer that the noodles were egg noodles. Therefore, artificial coloring was prohibited.

I shall, at a later time, speak in more detail on the subject of artificial coloring in food products and the limitations on such practices.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. FULBRIGHT. Mr. President, I yield 1 minute to the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, in the past week or so so much has been said in the Senate about the Federal taxes on oleomargarine that there are not, to the best of my knowledge, any facts on the subject which have not been brought out repeatedly in the debate thus far, and I have not the slightest intention of delaying the vote on this bill by adding to the talk.

On the other hand, in my broadcast last week, one of the regular biweekly series in which I report to the people of Pennsylvania the legislative goings-on in Washington, I attempted a brief summary of the legislative history of oleo, and I should like at this point to have my entire radio address printed in the body of the RECORD, because I believe it will make it clear where I stand on this issue and because I believe it will make it clear why I take the position which I take in support of oleo-tax repeal.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Soon after President Truman delivered his state of the Union address before a joint session of the Senate and the House of Representatives Wednesday, the Senate went to work on the job of repealing the Federal taxes on yellow oleomargarine.

Those of us who favor the repeal of the oleo tax—and we're in the majority—expected a filibuster to be delivered by a handful of dairy-State Senators, and from the looks of things, a mild form of filibuster is what we're getting.

A noisy and lengthy battle in the Senate over oleo was, I suppose, more or less inevitable when we stop to recall that for about three-quarters of a century, oleo has had a pretty bad time at the hands of the Congress, and in the State legislatures all over the country.

By the 1880's margarine had appeared on the market as a widely hailed and cheaper substitute for butter. But all too frequently, in those days, it was unscientifically made, impure, and in too many instances, constituted a real threat to health.

So the earliest laws passed by Congress and the State legislatures were, more or less, in the nature of pure food regulations

designed to protect the public from misrepresentation, and to prevent the sale of an unsanitary and injurious product.

In a short time those laws had the desired effect of raising the production standards for oleo, and with the assistance of science and by more careful methods of manufacture, oleo became a safe and adequate foodstuff. When oleo became safe, it began to present a real competitive threat to butter, especially when colored to look like it.

So the emphasis on the oleo laws underwent a change of purpose from health protection to protection of the butter producer against competition from a less expensive substitute.

Many techniques for eliminating competition were developed—some of them almost fantastic. For example, there were repeated efforts made to require oleo to be colored blue or pink or green before it could be put up for sale. Others suggested that it be shaped like a bar of soap or a piece of pie.

These efforts were more or less unsuccessful, though at one time—I believe it was in New Hampshire many years ago—there was a State law that required all oleo to be pink. The Supreme Court, however, held the law to be unconstitutional.

Two other techniques proved more successful. One of them simply prohibits the sale of yellow oleo within a State. Pennsylvania and 15 other States at present forbid the sale of yellow oleo—and housewives will have to continue adding color by hand until the State legislature at Harrisburg repeals the existing prohibition.

The second successful technique for protecting butter is illustrated by the Federal taxes we're seeking to repeal in the Senate. These Federal taxes have been on the books pretty much in their present form since 1902—and they hit oleo, not once, but over and over again. There's a Federal tax of \$600 a year on the oleo producer—another Federal tax of \$480 a year on the wholesale of yellow oleo—and another of \$48 a year on the retailer. In addition to these taxes, every pound of yellow oleo is taxed 10 cents, as compared to one-quarter of a cent a pound on uncolored oleo. So, as you can see, the direct tax on the yellow product is 40 times greater—a big discrimination.

The bill now before the Senate seeks to repeal all these Federal taxes.

I want to make it clear, however, that our repeal bill does not do away with the requirements that oleo be pure and nutritious. In fact, the bill on this point goes quite far in that it seeks to regulate the sale of all oleo served in public places, whether it is made in one State, and shipped through the channels of interstate commerce to another State, or whether it is made and sold in the same State. In both instances, our new bill, when passed will require that all oleo be marked clearly as such.

We plan to prevent any possibility that oleo will be misrepresented to the consumer as butter. The customer in a restaurant will know whether he's getting butter or oleo—and so will the shopper in the stores.

I want to make it clear, also, that we recognize the vital importance of the dairy industry. We know that, in order to obtain the necessary supplies of fresh milk required for our people that we must overproduce milk most of the time to avoid any possibility of a shortage at any time. Both State and Federal laws have had as their basic purpose for years the maintenance of a thriving and healthy dairy industry, and in repealing the oleo taxes we have no intention of harming our supply of fresh and healthful dairy products—and no intention of harming those who produce them.

Now, frankly, I believe there are some big differences between butter and oleo. For one thing, as every shopper knows, oleo is cheaper to buy. For another, though I'll admit this

is a matter of choice, I believe there's a big difference in taste between the two, and I personally prefer butter.

But what I do think is most important is that we should have the kind of law which makes it possible for the consumer to select what he wants—so long as he knows what he's getting—and I don't believe the consumer should be penalized by a group of taxes on yellow oleo which are primarily aimed at taxing oleo out of the market.

I think you can understand why it is that I intend to vote for repeal of the Federal oleo taxes—and I think you can understand, too, why I share with most of you the regret that this Federal tax relief won't mean much to us in Pennsylvania until the legislature at Harrisburg makes it possible for us to buy yellow oleo.

At the start of this broadcast, I mentioned that a majority of the Senate favored repeal of the oleo taxes—and I mentioned, too, that a handful of dairy-State Senators was trying to kill our efforts by a filibuster.

Now just what is a filibuster?

A filibuster is a tactic to avoid bringing an issue to a vote. Suppose that a small group of Senators is opposed to a particular measure and knows it lacks the votes to defeat the issue numerically. Now the only way to block passage of the bill is to prevent the Senate from voting on it. The technique of the filibustering Senator, determined to prevent a vote, is to talk—to talk on and on—endlessly, on whatever he wants to talk about, for as long as he is physically able to stay on his feet and continue talking.

One Senator alone, obviously, can't tie up the wishes of the rest of the Senate for any prolonged period of time simply because one Senator just doesn't have the stamina to talk long enough to stave off a vote.

But when there is a well-disciplined, well-led, and determined group of 15 or more Senators banded together, a group of this size generally has been successful in the past at talking so long that the majority of the Senate is forced to give up its fight. The fight to break the filibuster has to be abandoned because there is usually some other very urgent business that must be finished before a deadline—perhaps a law about to expire that must be renewed, or an appropriation about to run out, or something of that sort, which must be done—and thus the filibuster fight is ended to undertake the pressing business.

It is particularly significant, I think, that the oleo filibuster—if we can call it that—is not a southern affair, though I know we've tended to think of the southerners as the great filibusterers of the Senate. The filibusterers on oleo are from the Middle West. The southerners are in favor of oleo-tax repeal, both to aid consumers, and because so much oleo is made from cottonseed oil.

Now why does the Senate permit a small bloc to dominate it on some issues that have overwhelming popular support?

The answer to this, I think, is found in the firmly rooted belief that free speech in the Senate should be absolutely free and unfettered. It's true, of course, that completely unrestrained speech can be the subject of abuse, and that is what happens when free and unlimited debate degenerates into a filibuster that has for its real purpose the blocking of legislation rather than the purpose of informing the Senate and the public on some new facts not previously brought to light.

The Senate, like any other parliamentary body, has adopted a set of rules that apply to the conduct of our business—and in those rules are to be found a number of limitations on unrestrained talk.

For example, a Senator will be forced to sit down if he attacks the morals or the propriety of another Senator's conduct. A

Senator will lose the floor, too, if he attacks the motives or conduct of the House of Representatives.

Another means we frequently adopt for limiting the time we will debate an issue is to get the unanimous agreement of all the Senators to vote on a particular day and at a given hour. Once we reach a unanimous consent agreement to vote at a definite hour, the remaining time is divided evenly between supporters and opponents of the measure—and when the appointed hour rolls around, the talk ends, and the issue is decided by vote.

Perhaps the most famous and controversial Senate rule has been our so-called cloture rule—Senate rule No. 22, adopted in 1917. Cloture is a means of curbing debate when efforts to obtain unanimous agreement have failed—in other words, by invoking cloture as we call it, debate may be halted if a certain percentage of the Senate is willing to see the talk stopped.

Cloture rule 22 provided, until it was changed last winter, that debate could be limited by the agreement of two-thirds of the Senators present and voting. Filibustering Senators, however, discovered some loopholes in rule 22, and it never proved to be effective when really needed.

The filibuster we had in the Senate last session came about as a result of an attempt to plug the loopholes, and provide an effective means of controlling useless talk. The debate in the early days of the filibuster last winter centered around what changes should be made in rule 22, and after several weeks, a cloture petition was filed. A crucial vote followed shortly on whether the Senate agreed with an interpretation given the old rule by Vice President BARKLEY.

The vote on the Barkley ruling split both the Democratic and Republican parties right down the middle. We on the Democratic side of the aisle realized, of course, that the Southern Senators would vote against the control of filibusters, and that it would be necessary to get strong Republican support if we were to emerge successfully. In a close vote, the Vice President's interpretation was voted down, with 23 Republicans and 23 Democrats voting against, and with 26 Democrats and 15 Republicans voting to support Mr. BARKLEY.

We knew then that the Senate's efforts to discipline itself in debate had taken a big set-back. Shortly after the vote on the Barkley ruling, Senator WHERRY, the Republican floor leader in the Senate, presented a compromise change in rule 22 that was satisfactory to the southern Senators and to the Republicans who had voted with them. The compromise plugs most of the gaps in the old rule 22, but it makes cloture much more difficult to obtain by the new requirement that 64 of the 96 Senators must agree to limit debate. Under the old rule, instead of 64 votes, it was only necessary to obtain agreement from two-thirds of the Senators present and voting. And this is a big and exceedingly important difference when you consider that on only two occasions in the past have 64 or more Senators been willing to invoke cloture.

The net effect of the new rule, I feel, is that certain classes of emotionally explosive legislation will remain for the present in a special category such that a determined group of opponents can block the will of Senate majority by the technique of filibustering.

I don't feel we will find it necessary to attempt a cloture vote on the oleo bill, because there aren't enough Senators seriously intent on talking it to death. We can usually break a filibuster where no more than eight or nine Senators are actively engaged. If there are 15 or 20 Senators willing to filibuster, this is a question which remains to be answered by testing the new rule 22. Since the southern Senators voted for the rule

change adopted last year, they must feel safe in believing cloture can't be applied to some, at least, of the measures they are opposed to.

The filibuster question is essentially one of deciding whether, in the operation of our kind of democracy, a determined minority may block the will of the majority. It is a serious question, and in view of the set-back we took last year in attempting to get a rule that would curb filibusters, it may be a long time before we are able to work out an effective answer which in the first place provides an adequate opportunity for the exercise of free speech and which will at the same time allow the majority to act without jeopardizing the rights of minorities.

If you're interested in further, more technical details about filibustering in the Senate, I invite you to write me, Senator FRANCIS J. MYERS, Senate Office Building, Washington, D. C.

I hope you will join me on this broadcast at the same time in 2 weeks.

Mr. WILEY. Mr. President, I should like to add a brief statement to the remarks which I have already made.

I remember that when I first came to the Senate the distinguished Senator from Georgia [Mr. GEORGE] would rise and, not only with the force of his logic, but with the force of his voice, would almost blow me out of the Senate, but I would be convinced. Since then I have seen him sometimes go off the deep end in his logic. This has happened when he and the Senator from Arkansas [Mr. FULBRIGHT] has disputed the validity of a decision of the Supreme Court of the United States, and the Senator from Arkansas has even stated that the Supreme Court was wrong. That is the argument of the Communists. It reminds me of the boy marching down the street with his regiment, and his mother saw him out of step and said that every man in the regiment was out of step except her boy.

The Supreme Court of the United States has decided this identical question as late as 1944, when the issue involved was the question of filled milk, when the Court said that the control of shipments in interstate commerce so as to prevent confusion or deception and substitution was within the power of Congress under the commerce clause.

In the original case Justice Stone stated that the question for decision was whether the filled milk act of Congress prohibited the shipment in interstate commerce of skim milk containing any fat or oil other than milk fat so as to resemble milk or cream transcended the power of Congress to regulate interstate shipments or infringed on the fifth amendment. The Court decided the issue clearly and decisively.

Mr. President, I have to laugh when I think of my dear friends of the East who talk about restricting commerce. I have brought out the fact that we cannot ship our milk to New York. The people of the East have built barriers against it. If they had not built them, we could give the people in the cities in the East cheaper milk and better milk than that which is produced in the eastern area. But there are barriers.

The Supreme Court has decided distinctly, definitely, and clearly that it is within the power of Congress to do the

identical thing which we are endeavoring to do.

Let me remind the Senate that the oleo industry has never sought to develop a new product. It has at all times worked solely to produce an imitation butter in every respect. The Congress has a right, under the Fair Standards Act, to protect the interest of the great dairy segment against imitation products.

I say, again, that the oleo industry has at all times worked to produce an exact imitation of butter. It has not developed a product having a distinctive flavor. It has developed the exact flavor of butter. The oleo manufacturers have not sought to produce a new and more appetizing color for their product. They have insisted on using the color of butter.

The oleo industry has not tried to develop new methods of packaging or serving, nor a new body or consistency for their product. No; at all times their goal has been to produce not a new product but solely an exact imitation in every respect and characteristic that can most easily be palmed off as butter.

Dr. E. V. McCollum, world-renowned nutritionist of Johns Hopkins University, has said:

Who are the peoples of the earth who have used the dairy cow as the foster mother of the race? They are the people of northern Europe and North America. They are the tallest of stature, the longest-lived, have the lowest infant mortality, the greatest resistance to disease, and they are the only people on earth who have ever made any material progress in literature, science, and politics.

A strong, efficient, and healthy dairy industry means a strong and virile America, economically and physically.

Mr. President, when the Senator from Georgia says that the Congress of the United States has not the inherent power, under the commerce clause, to do what this bill seeks to do, he is off the beam. I am sorry to say it, but he cannot very effectively contradict the Supreme Court, which has the last say on the subject.

The Senator from Georgia admits that a measure providing for the repeal of the excise taxes, which is appended to the substitute which some 25 Senators signed, came out of his committee, was approved, and is on the calendar, but he says that if we attach it to this bill it will not pass. That does not sound very logical to the people of the hinterland, when the committee reports and approves the repeal of excise taxes. We have seen that there is a lot of talk but very little action in connection with every tax repeal. If we are to take the tax off oleo we might as well take it from furs, from tickets, and from other articles which have had such taxes imposed upon them.

Are we so imbecile in our activities that we think the thing we want to do has to be done according to the old pattern? Can we not put vitality into our actions and accomplish what we wish to accomplish?

Mr. President, the life of the dairy industry of this Nation is at stake. I repeat, that a strong, efficient, and healthy dairy industry means a strong and virile America, economically and physically. If this synthetic product is substituted for

butter, and if the necessary vitamins are taken away, we shall be like the calves which have been referred to, which simply passed out of the picture.

So, Mr. President, I ask the Senate to face up to the situation with heads erect. We owe it to the people of the Nation. I could say a great deal about newspapers and magazines which have received millions of dollars from advertising, without doing anything more than to scratch the very surface of what is involved. We do not want creeping paralysis to attack the Middle West section of this country.

The VICE PRESIDENT. The time of the Senator from Wisconsin has expired. All time for debate has expired, and the Senate will proceed to vote upon the Wiley substitute and amendments thereto, without further debate.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Hunt	Myers
Bridges	Ives	Neely
Butler	Jenner	O'Connor
Byrd	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Cordon	Johnston, S. C.	Robertson
Darby	Kefauver	Russell
Donnell	Kem	Saltonstall
Douglas	Kerr	Schoeppel
Downey	Kilgore	Smith, Maine
Dworshak	Knowland	Sparkman
Eastland	Langer	Taft
Ecton	Leahy	Taylor
Ellender	Lehman	Thomas, Okla.
Ferguson	Lodge	Thomas, Utah
Flanders	Long	Thye
Frear	Lucas	Tobey
Fulbright	McCarran	Tydings
George	McCarthy	Vandenberg
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young
Hickenlooper	Martin	

The VICE PRESIDENT. A quorum is present.

Mr. WILEY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WILEY. What is the first amendment before the Senate?

The VICE PRESIDENT. The pending question is on the amendment offered by the Senator from Washington [Mr. MAGNUSON] to the amendment in the nature of a substitute offered by the Senator from Wisconsin and other Senators.

Mr. WILEY. May it be stated?

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out section 4, beginning on page 5, line 3, running through line 20 on page 6.

Mr. CORDON. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CORDON. Notice has been given of the intention to offer two amendments in the nature of perfecting amendments to the substitute. One of those was

offered by the Senator from Oregon, and I wish to get a vote on the amendment I have offered. The question is, which would be in order, perfection of the substitute, or a motion to strike from the substitute, which raises the point whether the amendment of the Senator from Oregon should be acted upon before the motion to strike.

The VICE PRESIDENT. If the Senator from Oregon or any other Senator desires to offer a perfecting amendment involving the section which the Senator from Washington seeks to strike out, it would be in order, and a vote would be taken on that first.

Mr. CORDON. In that situation, the Senator from Oregon calls up his amendment marked "1-13-50—A," and asks that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 6, between lines 13 and 14, to insert a new subsection, as follows:

(e) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 3475 of the Internal Revenue Code (tax on transportation of property) is hereby repealed.

Mr. CORDON. Mr. President—

The VICE PRESIDENT. The amendment is not debatable.

Mr. CORDON. I understand that, but in the amendment as stated there is an error due to a later printing of the substitute, and I ask that it be corrected. It should come on page 6, between lines 20 and 21, instead of between lines 13 and 14.

The VICE PRESIDENT. The Senator modifies his amendment accordingly. The question is on the amendment of the Senator from Oregon.

Mr. CORDON. I ask for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and Mr. AIKEN answered in the affirmative when his name was called.

Mr. JOHNSON of Colorado. Mr. President, may we have the amendment stated?

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 6, between lines 20 and 21, it is proposed to insert a new subsection as follows:

(e) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 3475 of the Internal Revenue Code (tax on transportation of property) is hereby repealed.

Mr. MAGNUSON. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAGNUSON. If the amendment of the Senator from Oregon should not prevail, would the next order of business be the amendment of the Senator from Washington?

The VICE PRESIDENT. Unless some other Senator desired to amend the Senator's amendment. It is in order to offer perfecting amendments to it before

it is voted on. The Secretary will resume the roll call.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that on this vote the Senator from Kentucky [Mr. CHAPMAN], who is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico, would vote "nay" on this amendment, if present.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico.

On this vote the Senator from Texas [Mr. CONNALLY], who is absent on important public business, is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Washington would vote "yea."

On this vote the Senator from Mississippi [Mr. STENNIS], who is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico, is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Oregon would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], who is absent by leave of the Senate on official business of the Committee on Public Works, is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea," and the Senator from Texas [Mr. CONNALLY] would vote "nay."

The Senator from Oregon [Mr. MORSE], who is absent on official business, is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "yea," and the Senator from Mississippi [Mr. STENNIS] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent by leave of the Senate on official business.

The result was announced—yeas 33, nays 56, as follows:

YEAS—33

Alken	Gurney	Millikin
Brewster	Hickenlooper	Mundt
Bricker	Ives	Saltonstall
Butler	Jenner	Schoeppel
Capehart	Kem	Thye
Cordon	Langer	Vandenberg
Darby	Lodge	Watkins
Donnell	McCarran	Wherry
Dworshak	McCarthy	Wiley
Ecton	Malone	Withers
Ferguson	Martin	Young

NAYS—56

Anderson	Graham	Kerr
Benton	Green	Kilgore
Bridges	Hayden	Knowland
Byrd	Hendrickson	Leahy
Douglas	Hill	Lehman
Downey	Hoey	Long
Eastland	Holland	Lucas
Ellender	Humphrey	McClellan
Flanders	Hunt	McFarland
Frear	Johnson, Colo.	McKellar
Fulbright	Johnson, Tex.	McMahon
George	Johnston, S. C.	Magnuson
Gillette	Kefauver	Maybank

Murray	Robertson	Thomas, Okla.
Myers	Russell	Thomas, Utah
Neely	Smith, Maine	Tobey
O'Connor	Sparkman	Tydings
O'Mahoney	Taft	Williams
Pepper	Taylor	

NOT VOTING—7

Cain	Connally	Stennis
Chapman	Morse	
Chavez	Smith, N. J.	

So Mr. CORDON's amendment to the amendment in the nature of a substitute, offered by Mr. WILEY for himself and other Senators, was rejected.

The VICE PRESIDENT. The question now recurs on the amendment offered by the Senator from Washington [Mr. MAGNUSON] to the amendment in the nature of a substitute offered by the Senator from Wisconsin [Mr. WILEY] for himself and other Senators, to strike out section 4, beginning on page 5, line 3, through line 20, on page 6. [Putting the question.] The "noes" seem to have it. The "noes" have it.

Mr. LUCAS. I ask for the yeas and nays.

Mr. RUSSELL rose.

The VICE PRESIDENT. The request comes too late. The Chair has already announced the result.

The question now is on the amendment in the nature of a substitute offered by the Senator from Wisconsin [Mr. WILEY] for himself and other Senators, as modified.

Mr. WILEY and other Senators asked for the yeas and nays, and they were ordered.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FULBRIGHT. On what is the Senate to vote now?

The VICE PRESIDENT. The vote is on the so-called Wiley substitute, as modified. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR (when his name was called). On this vote I have a pair with the Senator from Texas [Mr. CONNALLY], who is absent on important public business. If present and voting, the Senator from Texas would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. TOBEY (when Mr. MORSE's name was called). On this vote, I have a pair with the Senator from Oregon [Mr. MORSE], who is absent on official business. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. WITHERS (when his name was called). On this vote I have a pair with the senior Senator from Kentucky [Mr. CHAPMAN], who is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. HUNT. On this vote I have a pair with the junior Senator from Mississippi [Mr. STENNIS], who is necessarily

absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico, and if present would vote "nay" on this amendment.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], who is absent by leave of the Senate on official business of the Committee on Public Works, is paired with the Senator from New Jersey [Mr. SMITH], who is absent by leave of the Senate on official business. If present and voting, the Senator from Washington [Mr. CAIN] would vote "yea" and the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Oregon [Mr. MORSE] is absent on official business, and his pair has previously been announced by the Senator from New Hampshire [Mr. TOBEY].

The result was announced—yeas 37, nays 48, as follows:

YEAS—37

Alken	Humphrey	Murray
Brewster	Ives	Schoeppel
Butler	Jenner	Taylor
Capehart	Johnson, Colo.	Thomas, Okla.
Cordon	Kem	Thomas, Utah
Donnell	Langer	Thye
Dworshak	Lehman	Vandenberg
Eaton	McCarran	Watkins
Ferguson	McCarthy	Wherry
Flanders	Magnuson	Wiley
Gillette	Malone	Young
Gurney	Millikin	
Hickenlooper	Mundt	

NAYS—48

Anderson	Hendrickson	McMahon
Benton	Hill	Martin
Bricker	Hoey	Maybank
Bridges	Holland	Myers
Byrd	Johnson, Tex.	Neely
Darby	Johnston, S. C.	O'Connor
Douglas	Kefauver	O'Mahoney
Downey	Kilgore	Pepper
Eastland	Knowland	Robertson
Ellender	Leahy	Russell
Frear	Lodge	Saltonstall
Fulbright	Long	Smith, Maine
George	Lucas	Sparkman
Graham	McClellan	Taft
Green	McFarland	Tydings
Hayden	McKellar	Williams

NOT VOTING—11

Cain	Hunt	Stennis
Chapman	Kerr	Tobey
Chavez	Morse	Withers
Connally	Smith, N. J.	

So the modified amendment, in the nature of a substitute, offered by Mr. WILEY for himself and other Senators, was rejected, as follows:

DEFINITIONS

SECTION 1. (a) The term "oleomargarine" as used in this act includes—

(1) all substances, mixtures, and compounds, known as oleomargarine, margarine, oleo, or butterine;

(2) all substances, mixtures, and compounds which have a consistency similar to that of butter and which contain any edible oils or fats other than milk fat if (A) made in imitation or semblance of butter, or purporting to be butter or a butter substitute, or (B) commonly used, or intended for common use, in place of or as a substitute for

butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used, or suitable for common use, as a substitute for butter.

(b) For the purposes of this act, "yellow oleomargarine" is oleomargarine, as defined in subsection (a) of this section, having a tint or shade containing more than 1.6° of yellow, or of yellow and red collectively, measured in terms of the Lovibond tintometer scale read under conditions substantially similar to those established by the Bureau of Internal Revenue, or the equivalent of such measurement.

(c) The term "commerce" as used in this act means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

PROHIBITED ACTS

SEC. 2. The manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce as yellow oleomargarine, or in connection with the production of yellow oleomargarine for shipment in commerce, is hereby declared unlawful: *Provided, however*, That yellow oleomargarine manufactured or colored within the borders of a State or Territory in which it is to be consumed shall not be subject to the provisions of this act but shall be subject to the laws and regulations of such State or Territory. Nothing contained in this act shall be construed to limit in any way the applicability of the Federal Food, Drug, and Cosmetic Act.

SEC. 3. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting "(1)" after the letter "(a)" in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product."

(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"(f) The term 'oleomargarine or margarine' includes—

"(1) all substances, mixtures, and compounds known as oleomargarine, margarine, oleo, or butterine;

"(2) all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if (A) made in imitation or semblance of butter, or purporting to be butter or a butter substitute, or (B) commonly used, or intended for common use, in place of or as a substitute for butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used or suitable for common use, as a substitute for butter."

(c) Subsection (1) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: "Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of con-

tinuance of such failure or neglect shall be deemed a separate offense."

SEC. 4. (a) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act—

(1) the tax imposed by section 1700 (a) of the Internal Revenue Code (tax on admissions);

(2) the tax imposed by section 3406 (a) (10) of such code (tax on electric light bulbs and tubes);

(3) the tax imposed by section 2400 of such code (tax on jewelry);

(4) the tax imposed by section 2401 of such code (tax on furs);

(5) the tax imposed by section 2402 of such code (tax on toilet preparations);

(6) the tax imposed by section 3465 (a) of such code (taxes on telegraph, telephone, radio, and cable facilities); and

(7) the taxes imposed by section 3469 of such code (taxes on transportation of persons, and on seating or sleeping accommodations in connection with such transportation);

shall be determined without regard to the war tax rates specified in section 1650 of such code.

(b) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 1651 of the Internal Revenue Code (retailers' excise tax on luggage, purses, handbags, toilet cases, etc.) is hereby repealed.

(c) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 3406 (a) (4) of the Internal Revenue Code (manufacturers' excise tax on photographic apparatus) is hereby amended by striking out "25 percent" and inserting in lieu thereof "10 percent," and by striking out "15 percent" and inserting in lieu thereof "10 percent."

(d) For the purposes of section 1657 of the Internal Revenue Code (relating to floor stocks refunds on electric light bulbs) and of section 1658 of such code (relating to the application of the effective date of rate reduction in the case of telephone, telegraph, etc., services) the term "rate reduction date" means the first day of the first month which begins more than 20 days after the date of enactment of this act.

ENFORCEMENT

SEC. 5. The Administrator of the Federal Security Agency is authorized and directed to administer and enforce this act and to prescribe and enforce rules and regulations to carry out its purposes and policies. The enforcement provisions of the Federal Food, Drug, and Cosmetic Act, including the provisions relating to injunctions and seizure, shall be available for the enforcement of this act.

PENALTIES

SEC. 6. Any person, firm, or corporation violating any of the provisions of this act, or of the rules and regulations issued in connection therewith, and any officer, agent, or employee thereof who directs or knowingly permits such violations, or who aids or assists therein, shall upon conviction thereof be subject to punishment in the same manner and to the same extent as persons who violate the Federal Food, Drug, and Cosmetic Act.

APPROPRIATIONS

SEC. 7. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the adequate enforcement of this act.

REPEAL

SEC. 8. The following sections of the Internal Revenue Code (relating to taxes on

colored and uncolored oleomargarine, to special occupational taxes on manufacturers, wholesalers, and retailers of oleomargarine, and to packaging, reporting, and other regulations of oleomargarine) are hereby repealed: Sections 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201, (26 U. S. C., secs. 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2313, 3200, 3201).

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment in the nature of a substitute was rejected.

Mr. LUCAS. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The bill is still before the Senate and open to amendment.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

SYNTHETIC RUBBER.—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 448)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, transmitting his recommendations relating to the development of domestic rubber, which was read, and, with the accompanying report, referred to the Committee on Armed Services.

(For text of President's message see pp. 444 and 445, House proceedings of CONGRESSIONAL RECORD of January 16, 1950.)

REPORT OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Armed Services:

To the Congress of the United States:

In compliance with the provisions of the act of March 3, 1915, as amended, establishing the National Advisory Committee for Aeronautics, I transmit herewith the thirty-fifth annual report of the Committee covering the fiscal year 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 16, 1950.

EXECUTIVE COMMUNICATION

The VICE PRESIDENT laid before the Senate the following letter, which was referred as indicated:

REPORT OF RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Secretary of Agriculture, transmitting, pursuant to law, the annual report of the Administrator of the Rural Electrification Administration, for the fiscal year 1949 (with an accompanying report); to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Memorials of Mrs. Chester Green, of Newton, N. C., and Mr. and Mrs. L. G. Miller, of Blackey, Va., remonstrating against the passage of Senate bill 1103 and House bill 2945, to readjust postal rates; ordered to lie on the table.

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Interior and Insular Affairs:

"Senate resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States of America to use every effort in order that old Fort Adams, at Newport, R. I., may be made a national shrine and recreation center for the United States Army

"Whereas the old historical fort at Brenton's Point in Newport, known as Fort Adams, located in the city of Newport on the island of Aquidneck, surrounded by water on three sides in Narragansett Bay, has had a far-reaching history, even from the latter part of the sixteenth century, including:

"1. In 1740, order of the general assembly for a military barracks and storehouse on Brenton's Point;

"2. On December 20, 1775, General Washington considered Brenton's Point as a strategic point in the Nation's defense at that time;

"3. On April 6, 1776, hastily erected battery there drove the British back to sea, followed by capture by the British, the point under its command until July 10, 1780;

"4. July 4, 1779, Brenton's Point named John Adams in honor of our second President of the United States;

"5. May 2, 1799, the date of the first deed of record to the Government as a location for a fortification; and

"6. In 1842, Fort Adams became a permanent garrison and the building of the present fort was completed; and

"Whereas the harbor of Narragansett Bay is an ideal place for refuge for ships in time of storm, since it can take care of the entire Atlantic Fleet at one time; is a naval base for the United States Navy with the War College on Coasters Island, a part of Newport adjacent to Fort Adams; and

"Whereas the proposal under consideration of making Fort Adams, due to its ancient history, construction, and location, a national shrine would be an asset to our Government and to the city of Newport, whose ideal beauty for vacationists and summer residents is displayed in all its splendor along the ocean drive and rock-bound coast of the sea, the perfect set-up for a national museum and recreation center for the United States Army; Now, therefore, be it

"Resolved, That the Senators and Representatives from Rhode Island in the Congress of the United States of America be and they are urged to use every effort in order that old Fort Adams, at Newport, R. I., may be made a national shrine and recreation center for the United States Army and that they approach the authorities of the United States Department of the Interior with such an idea in mind, first, for the erection of a national museum at such site of old Fort Adams and, secondly, for the assigning of two companies of hand-picked soldiers to be stationed there for ceremonial duties; and be it further

"Resolved, That the Secretary of State is hereby authorized and directed to transmit to the Senators and Representatives in the Congress of the United States and to the Secretary of the Interior duly certified copies of this resolution."

PROHIBITION OF LIQUOR ADVERTISING— PETITION

Mr. WILLIAMS. Mr. President, I am in receipt of another letter from Mrs. Nora B. Powell, State legislative director, WCTU, New Castle County, Del., transmitting a third petition signed by 55 citizens of New Castle and Kent Counties, Del., in support of legislation now pending before the Senate Committee on Interstate and Foreign Commerce to prohibit the advertising of alcoholic beverages over the radio. This brings the total number of signers of the petitions sent in by Mrs. Powell to 2,191. I ask that this petition also be referred to the Senate Committee on Interstate and Foreign Commerce for its consideration.

The VICE PRESIDENT. The petition will be received and referred to the Committee on Interstate and Foreign Commerce.

ST. LAWRENCE SEAWAY—RESOLUTION OF OTSEGO COUNTY (N. Y.) BOARD OF SUPERVISORS

Mr. IVES. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Otsego County (N. Y.) Board of Supervisors, protesting against the construction of a St. Lawrence seaway.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas the Board of Supervisors of St. Lawrence County has appropriated \$5,000 for use in promoting and publicizing the proposed billion dollar St. Lawrence seaway project; and

Whereas this board of supervisors of Otsego County, N. Y., believe that the construction of the Federal St. Lawrence seaway is against the best interests of all the people of the State of New York and especially the interests of labor and business: Therefore be it

Resolved, That this board of supervisors for and in behalf of the people of the County of Otsego, N. Y., strongly oppose the construction of such St. Lawrence seaway project; and be it further

Resolved, That the clerk be and hereby is authorized and directed to send certified copies of this resolution to Hon. HERBERT LEHMAN and Hon. IRVING IVES, Senators representing New York State and Hon. BERNARD W. KEARNEY, Representative of the Thirty-first District of New York State.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES— RESOLUTION OF NATIONAL ASSOCIATION OF RETAIL DRUGGISTS

Mr. HUMPHREY. Mr. President, I desire to bring to the attention of the Senate a resolution adopted at the fifty-first annual convention of the National Association of Retail Druggists held in New York City during the week of September 18. I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table, and to be printed in the RECORD, as follows:

Whereas S. 1008, which is now in conference, would, in the opinion of this association, destroy the effective use of the Robinson-Patman Act, a measure that has become the Rock of Gibraltar to the small-business men of this country; and

Whereas tremendous gains have been made by business in general under the Robinson-Patman Act by establishing fair competition, and requiring all sellers to treat all buyers alike without discrimination; and

Whereas the proponents of S. 1008 assert that its purpose is to legalize delivered prices and freight absorption; and

Whereas there is nothing in the antitrust laws forbidding delivered pricing or forbidding freight absorption, provided buyers are treated equally and are not subjected to the basic price or discount discrimination; and

Whereas the association asserts that S. 1008 was passed without due regard for proper hearings on the measure justified by its far-reaching importance: Therefore be it

Resolved, That the National Association of Retail Druggists in convention assembled go on record strongly opposing the measure now in conference, and, because it was denied the privilege of doing so before hearings on the bill, that it communicate its reasons for opposition to the conference committee.

GENERAL PULASKI'S MEMORIAL DAY— RESOLUTION OF COMMON COUNCIL OF PULASKI, TENN.

Mr. KEFAUVER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Common Council of the City of Pulaski, Tenn., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States to pass and the President of the United States to approve if passed the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in United States of America: Now, therefore, be it

Resolved by the Common Council of the City of Pulaski, and State of Tennessee:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's

Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, and each of the United States Senators and Representatives from Tennessee.

STRENGTHENING OF UNITED NATIONS— PETITION

Mr. HOEY. Mr. President, I present for appropriate reference a petition signed by a large number of leading citizens from North Carolina, addressed to the Senators and Members of the House of Representatives, in support of House Concurrent Resolution 64 and Senate Concurrent Resolution 56, relating to strengthening of the United Nations. The petition was signed by a large number of the outstanding men and women in North Carolina who have given sincere and earnest thought to world conditions and to the necessity for establishing and maintaining world peace.

Several resolutions have been submitted in the Senate looking toward amending the United Nations and to implementing that organization with sufficient power and authority to make it effective in the field of foreign relations.

I have joined as a sponsor for some of these resolutions. I think that all are good; however, after careful consideration of the resolutions submitted, I believe that this particular resolution would be most effective and I should like to see our Foreign Relations Committee take favorable action on it.

Although I was not one of the original sponsors of the resolution I take pleasure in giving it my support.

I ask unanimous consent that this petition be printed in the RECORD with all the signatures attached, and referred to the Foreign Relations Committee.

There being no objection, the petition was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD with the signatures attached, as follows:

To the Members of the United States Congress from the State of North Carolina, Senator CLYDE R. HOEY, Senator FRANK P. GRAHAM, Hon. HERBERT C. BONNER, Hon. JOHN H. KERR, Hon. GRAHAM A. BARDEN, Hon. HAROLD D. COOLEY, Hon. THURMOND CHATHAM, Hon. CARL T. DURHAM, Hon. F. ERTEL CARLYLE, Hon. C. B. DEANE, Hon. R. L. DOUGHTON, Hon. HAMILTON C. JONES, Hon. A. L. BULWINKLE, Hon. MONROE M. REDDEN:

PETITION ENDORSING HOUSE CONCURRENT RESOLUTION 64 AND SENATE CONCURRENT RESOLUTION 56

We, the undersigned citizens of North Carolina, believe that a just and lasting peace is the goal which our civilization must achieve; and that if we fail to achieve it, there is grave danger that our civilization will be destroyed. We believe that the only practicable way in which to achieve a just and lasting peace is through the establishment of a world federal government with limited but adequate powers. We believe that this may best be done by amending the Charter of the United Nations to develop it into such a limited world federal government; and that the United States should assume world leadership in advocating such amendments. Therefore, we endorse House Concurrent Resolution 64, sponsored by 105

Ordinarily, neither that Member of Congress nor I believe in mentioning the name of a private business. But this organization certainly seems entitled to credit, so let me say a word of salute to Ted Mack and the Original Amateur Hour produced by the Major Bowes staff and presented by the makers of Old Gold cigarettes.

This Original Amateur Hour has given a number of truly splendid performances on behalf of a tremendous list of grand organizations, ranging from the Boys' Clubs of America to the American Legion, the Veterans of Foreign Wars, Archbishop Cushing's Child's Fund in Boston, the Crippled Children's Association, the National Jewish Hospital, and many other great outfits. The cost of every one of those shows was borne solely by the Original Amateur Hour organization.

In these days, Mr. President, when some folks get accustomed to thinking that only the Federal Government by itself can meet a given humanitarian need, it is heartwarming indeed to note the fact that private enterprise can mobilize talent and give that talent unstintingly without fanfare and without concern as to cost for a worthy public service. Moreover, it is encouraging to note that 150,000,000 Americans are willing to pitch in with their contributions.

CONCLUSION

I am sure that all of my colleagues intend, if it is at all possible, to be on hand in Constitution Hall on February 2, along with a packed audience of District citizens. I know that their presence and the participation by many of our associates will give a tremendous thrill to all of the folks who are working voluntarily to raise funds for the American Heart Association and its affiliates throughout the Nation.

REPEAL OF OLEOMARGARINE TAXES—AMENDMENT

Mr. BUTLER (for himself and Mr. McCARTHY) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, which were ordered to lie on the table and to be printed.

IMPROVEMENT OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—AMENDMENTS

Mr. FERGUSON submitted amendments intended to be proposed by him to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

PROPOSED ANTILYNCHING LEGISLATION—NOTICE OF HEARING

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, January 20, 1950, at 10 a. m., in room 424, Senate Office Building, on S. 1404, to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes, and S. 1726, to provide protection for persons from lynching, and for other purposes. Persons desiring to be heard should notify

the committee by Thursday, January 19, so that a schedule can be prepared for those who wish to appear and testify. The subcommittee consists of the Senator from West Virginia [Mr. KILGORE], chairman, the Senator from Mississippi [Mr. EASTLAND], the Senator from Maryland [Mr. O'CONOR], the Senator from Michigan [Mr. FERGUSON], and the Senator from Missouri [Mr. DONNELL].

NOTICE OF HEARING ON H. R. 3111, TO AMEND AN ACT TO ESTABLISH A UNIFORM SYSTEM OF BANKRUPTCY THROUGHOUT THE UNITED STATES

Mr. GRAHAM. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, January 31, 1950, at 10 a. m., to be continued Wednesday, February 1, 1950, if not completed, in room 424, Senate Office Building, on H. R. 3111, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal subdivision b of section 64, subdivision h of section 70, and section 118 thereof and all acts and parts of acts inconsistent therewith. At the indicated time and place all persons interested in this legislation may make such representations as may be pertinent. The subcommittee consists of the Senator from North Carolina [Mr. GRAHAM], chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wisconsin [Mr. WILEY].

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. IVES was granted leave to be absent from attendance on the Senate tomorrow.

On his own request, and by unanimous consent, Mr. SALTONSTALL was granted leave, because of official business, to be absent from the session of the Senate from 3:30 o'clock this afternoon to Thursday morning.

ADDRESS BY SENATOR JOHNSON OF COLORADO BEFORE FEDERAL COMMUNICATIONS BAR ASSOCIATION

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address delivered by him before the annual meeting of the Federal Communications Bar Association, at Washington, D. C., on January 12, 1950, which appears in the Appendix.]

THE MODERN CHALLENGE TO BUSINESS LEADERSHIP—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address entitled "The Modern Challenge to Business Leadership," delivered by him before the Boston Board of Fire Underwriters at their annual meeting luncheon on January 10, 1950, in Boston, Mass., which appears in the Appendix.]

GEORGE WASHINGTON CARVER: PIONEER IN HUMAN RIGHTS—ADDRESS BY SENATOR GILLETTE

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address entitled "George Washington Carver: Pioneer in Human Rights," delivered by Senator Gil-

LETTE at Trinity Cathedral, Pittsburgh, Pa., on January 8, 1950, which appears in the Appendix.]

CITY OF HOPE AWARD DINNER HONORING ELLIS A. GIMBEL—ADDRESS BY SENATOR MYERS.

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address delivered by him at the City of Hope award dinner, Bellevue Stratford Hotel, Philadelphia, December 7, 1949, which appears in the Appendix.]

PEARL HARBOR ANNIVERSARY—ADDRESS BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address delivered by him before the Pearl Harbor anniversary memorial meeting, sponsored by the Veterans of Foreign Wars Women's Council, City of Hope, at Convention Hall, Philadelphia, December 7, 1949, which appears in the Appendix.]

WATER CONSERVATION PROGRAM FOR WEST TEXAS—ADDRESS BY HON. WILLIAM E. WARNE

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD an address delivered by Hon. William E. Warne, Assistant Secretary of the Interior, on the subject of the west Texas water problem, before the annual directors' assembly, west Texas Chamber of Commerce, at Fort Worth, Tex., on November 22, 1949, which appears in the Appendix.]

HISTORY AND ITS MEANING TO A COMMUNITY—EDITORIAL BY DR. LEWIS E. THEISS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "History and Its Meaning to a Community," written by Dr. Lewis E. Theiss, for many years head of the department of journalism at Bucknell University, and published in the Lewisburg Journal, of Lewisburg, Pa., of January 5, 1950, which appears in the Appendix.]

MME. CHIANG KAI-SHEK'S FAREWELL

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD the text of Mme. Chiang Kai-shek's farewell address broadcast by radio on January 8, 1950, which will appear hereafter in the Appendix.]

FEDERAL SPENDING—COMPILATION FROM THE READER'S DIGEST

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a compilation on Federal spending appearing in the December 1949 issue of the Reader's Digest, which will appear hereafter in the Appendix.]

OPPOSITION OF PRINCE HALL MASONRY TO COMMUNISM

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement issued by the Grand Masters Conference of Prince Hall Masons relative to the opposition of that organization to communism, which appears in the Appendix.]

O LIBERALS—ARTICLE BY BRUCE BARTON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "O Liberals," written by Bruce Barton, which appears in the Appendix.]

TRIBUTES TO FLORIDA BY THE VICE PRESIDENT AND J. MYER SCHINE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD statements by Vice President BARKLEY and J. Myer Schine, paying tribute to Florida, which appear in the Appendix.]

THE CRISIS IN EDUCATION—STATISTICS SUPPORTING A STUDY BY THE NEW YORK TIMES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD statistics in support of an educational study undertaken by the New York Times, heretofore placed in the RECORD, which appear in the Appendix.]

STATISTICS OF STATES ON SCHOOL TEACHING AND OPERATING—REPORT BY DR. BENJAMIN FINE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD the report of a study by Dr. Benjamin Fine, published in the New York Times of January 1950, which appears in the Appendix.]

FEPCC—EDITORIALS FROM THE ST. PAUL PIONEER PRESS AND THE ST. PAUL DISPATCH

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD two editorials, one entitled "Unparalleled Stalling," from the St. Paul Pioneer Press of January 3, 1950, the other, an editorial entitled "Gains for Tolerance," published in the St. Paul Dispatch of January 5, 1950, which appear in the Appendix.]

CIVIL RIGHTS RESOLUTIONS ADOPTED BY ELEVENTH CONSTITUTIONAL CONVENTION OF THE CIO

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD resolutions on civil rights adopted at the eleventh constitutional convention of the CIO, October 31 to November 4, 1949, which appear in the Appendix.]

EDUCATION—RESOLUTIONS ADOPTED AT ELEVENTH CONSTITUTIONAL CONVENTION OF THE CIO

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD resolutions on education adopted at the eleventh constitutional convention of the CIO, October 31 to November 4, 1949, which appear in the Appendix.]

WE MUST NOT BE AFRAID OF CHANGE—ARTICLE BY RAYMOND B. FOSDICK

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "We Must Not Be Afraid of Change," by Raymond B. Fosdick, former president of the Rockefeller Foundation, which appears in the Appendix.]

WHAT PRICE FREEDOM?—ADDRESS BY ROBERT M. HUTCHINS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address entitled "What Price Freedom?" delivered by Robert M. Hutchins, chancellor, University of Chicago, before the Chicago University convocation, in June 1949, which appears in the Appendix.]

99.6 PERCENT LOYALTY—EDITORIAL FROM THE WASHINGTON POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "99.6 Percent Loyalty," published in the Washington Post of January 12, 1950, which appears in the Appendix.]

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. FREAR. Mr. President, I offer to House bill 2023 the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 15, it is proposed to strike out all down through line 16 and insert the following:

(m) The sale or offering for sale of colored oleomargarine or colored margarine, or the possession or serving of colored oleomargarine or colored margarine in violation of sections 407 (b), or 407 (c).

On page 3, between lines 2 and 3, insert the following new subsection:

(b) On and after July 1, 1950, no person shall sell, or offer for sale, colored oleomargarine or colored margarine unless it is manufactured, prepared, molded, shaped, and packaged so that (1) the net weight of the contents of the retail package shall not exceed 1 pound, (2) each part or parts of the contents of such package is manufactured, prepared, and molded so as to be triangular in shape.

On page 3, lines 3 and 23, redesignate subsections (b) and (c) as subsections (c) and (d), respectively.

On page 4, line 5, redesignate subsection (d) as subsection (e).

Mr. FREAR. Mr. President, this amendment is offered as an added attraction to House bill 2023. It gives better identification to the molding of packaged oleomargarine. It simply states that it must be molded in triangular shape.

I hope the proponents of House bill 2023 in the Senate will be permitted to accept this amendment.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. TYDINGS. Let me ask the Senator whether he has made any investigation as to whether the amendment would necessitate the installation of particularly adapted molding machinery, as differentiated from that now in the plants.

Mr. FREAR. In answer, I should like to say that it is anticipated that some necessary adjustments in the machinery already available will be necessary, but it is my understanding that the cost of such adjustments will not be excessive.

Mr. TYDINGS. I take it from what the Senator has said, then, that the same machines could be used, but the particular molding part of the machines would have to be altered or changed so as to conform with the Senator's amendment.

Mr. FREAR. The molding and the wrapping parts; yes.

Mr. TYDINGS. Let me ask the Senator whether he has any idea what would be the cost to make the change required by his amendment.

Mr. FREAR. I have been informed by a reliable engineer that the over-all cost of changing the machines already in operation would be approximately less than one-fourth of a cent a pound on the number of pounds of oleomargarine now being marketed.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. FULBRIGHT. I have discussed this amendment with the Senator from Delaware. It has always been the position of those of us who seek to repeal the

existing legislation on oleomargarine that we do not wish to have oleomargarine disguised as butter. It will be noted that one of the provisions of the bill coming from the committee provides an alternative method for the serving in restaurants of margarine in a triangular form. I think there is some question about the Frear amendment, that it might result in added cost to the consumer, but nevertheless, on the ground that it is consistent with the over-all objectives of the proponents of the pending legislation, I am prepared to accept the amendment, take it to conference, and if possible, perfect it—I hope, in a way that will be consistent with the original legislation—and not increase substantially the cost of margarine.

Mr. FREAR. I thank the Senator from Arkansas.

Mr. TOBEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from New Hampshire?

Mr. FREAR. I yield.

Mr. TOBEY. Mr. President, I should like to submit a question to the distinguished Senator from Delaware. As I heard the reading of the amendment, I heard the word "triangle" used. To be more definite, will the Senator kindly advise the Senate, is this an isosceles triangle, an equilateral triangle, or is it a part of the eternal triangle?

Mr. FREAR. In answer to the Senator from New Hampshire, I may say I am not so well versed on triangles as is the Senator from New Hampshire, but I should assume that any object having three sides is a triangle.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Maryland?

Mr. FREAR. I yield.

Mr. TYDINGS. With no reflection on the author of the amendment, I think it is a bit of obtuse triangle.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Iowa?

Mr. FREAR. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator from Delaware why these particular provisions with regard to yellow or colored oleomargarine are proposed? Is there any difference in the margarine content? Would it not apply to uncolored oleomargarine as well as to colored? I notice colored margarine is specifically singled out in the amendment.

Mr. FREAR. If it is uncolored, it would not be for sale, would it?

Mr. HICKENLOOPER. Mr. President, that goes to the meat of the argument, that uncolored oleomargarine is not readily salable to the American public. But I merely wondered whether the question of color was specifically brought out in the amendment in order to make oleo competitive, and to have it receptive, so far as being a substitute for butter is concerned.

Mr. FREAR. No, it was not, I may say in answer to the Senator.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

The amendment was agreed to.

Mr. McCARTHY. Mr. President, I send to the desk an amendment to the pending bill, and ask that it be printed.

The VICE PRESIDENT. Without objection, the amendment will be received and printed, and lie on the table.

Mr. LANGER. Mr. President, I desire to call up my amendment B to the bill, and ask that it be read.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 19, after the word "of", it is proposed to insert "the foregoing provisions of."

On page 5, line 3, to strike out the word "This" and insert in lieu thereof the following "The foregoing provisions of this."

On page 5, after line 6, to add the following new sections:

PURPOSE

SEC. 7. To guarantee, insofar as it lies within the constitutional power of the Congress so to do within the subject matter of sections 7-18 hereof, (a) that each and every citizen of the United States be secured in the equal protection of the laws of the United States, and of the several States, and (b) that no citizen of the United States be deprived of life, liberty, or property without due process of law, the Congress, in the exercise of all powers which it possesses, does hereby legislate with respect to the crime of lynching as hereinafter defined.

DEFINITIONS

SEC. 8. Any assemblage of two or more persons which shall, without authority of law, exercise or attempt to exercise, by acts of physical force against person or property, any power of correction or punishment over any person, who is (1) in the custody of any peace officer, or (2) charged with or convicted of the commission of any criminal offense, or (3) suspected by such assemblage of the commission of any criminal offense, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such person, or of imposing a punishment, shall constitute a lynch mob within the meaning of sections 7-18 of this act. Any such exercise of power or attempt to exercise power by a lynch mob shall constitute lynching within the meaning of sections 7-18 of this act.

Mr. LANGER. I have offered this amendment, in order to find out whether the Senate, at long last, is going to give the poor people, both the whites and the Negroes, a square deal in America. Ever since 1932 with the exception of 2 years, during which time a Democratic President was in the White House, the great Democratic Party, which says it is for the poor people, which says it is for the depressed, has been in control of the Government. The Democrats said in 1933 they were going to pass the anti-poll-tax bill and the anti-lynching bill. At that time they had a Democratic President, and they held two-thirds of the seats in the House of Representatives. I repeat, the Democratic Party, which says it is the friend of the poor people, both the poor whites and the poor Negroes, had a President in the White House for 16 long years. During

that time the Democratic Party had a majority of 2 to 1 in the House of Representatives. Believe it or not, Mr. President, at one time there were only 16 Republican Senators and 80 Democratic Senators—80 to 16 in the Senate, 2 to 1 in the House of Representatives, and a Democratic President. 1933 went by and no anti-poll-tax bill was passed, no anti-lynching bill, no FEPC. 1934 went by with the Democrats in control—no anti-poll-tax bill, no anti-lynching law, no FEPC. In 1934, 1935, and 1936 there was the same result. Yet the men running for President and for the Senate and House of Representatives stood up on rostrums all over the country, appealing for votes, and said they were going to pass these various measures. I repeat, although the Democrats were in overwhelming control, they did not pass the legislation. We had a repetition of the same situation in 1940, and again in 1944. The New Deal was going to take care of the poor people, it was going to pass an anti-lynching bill, an anti-poll-tax bill, and an FEPC law. No action of any kind was taken by the so-called friends of the oppressed and the underprivileged.

The Republican Party obtained control of the Eightieth Congress. Before they held their convention, they were definite and specific as to what they were going to do. They held themselves out as the friends of these people. What happened all over the country? The Democratic Party kept upon its pay roll the leaders of all the societies and organizations that ostensibly were arranging meetings in order to promote the passage of an anti-poll-tax law and an anti-lynching bill and the FEPC. It is for that reason, Mr. President, in order to show up this hypocrisy on the part of the Democratic Party, that I have prepared and offer the following resolution:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation for the purpose of ascertaining the names of all officers of associations, societies, committees, or other organizations, a principal purpose of which is to secure the enactment of anti-lynching, anti-poll tax, fair employment practices, or related legislation, who have been on the pay roll of a political party at any time within the last 10 years.

The committee shall report to the Senate at the earliest practicable date the results of its investigation, together with such recommendations as it may deem desirable.

The resolution (S. Res. 209), submitted by Mr. LANGER, was referred to the Committee on the Judiciary.

Mr. LANGER. Mr. President, I send the resolution to the desk. If it is adopted, what are we going to discover? We are going to discover that the head of the greatest organization of them all, the man who sends letters and telegrams to all Senators, was all this time on the pay roll of the Democratic Party. I am prepared further to show that one of the leading ladies ostensibly working to secure enactment of anti-poll tax, anti-lynching, and FEPC legislation, also was on the pay roll of the Democratic Party. Whenever they got the word from the Democratic bosses, they called another

congress. They got together people from all corners of the United States, and adopted resolutions in behalf of the Democratic Party.

It continued year after year. In fact, if any Senator has any doubt about it, I suggest he vote for my resolution when it comes up, so that the proof can be produced. Not only that, Mr. President, but I am prepared to show that the Democratic Party has sent certain persons all over the United States who are on the pay roll of the Government at what I consider to be very exorbitant salaries.

This resolution, as I have said, is submitted with the purpose of giving the facts to the poor whites and the Negroes of the United States so that they may determine who are their friends.

I call the attention of the Senate to the fact that during the Eightieth Congress it was the Republican Party which finally had enacted into law, by a majority of 3 votes, the right for Negroes in the Army to vote.

With reference to the Democratic Party having put these politicians on the pay roll, there is now in the city of Washington, called together from 40 States of the Union, between 4,000 and 5,000 delegates, or representatives, as they were called by the Washington Evening Star on Saturday. This conference of politicians again is busy going around buttonholing Senators and is again busy passing resolutions.

Mr. President, certainly the senior Senator from North Dakota cannot be charged with playing politics in this matter, because I think the last census showed that there were 210 Negroes of all ages in the State of North Dakota. There are considerably less than 100 Negro votes in the entire State. As a matter of fact, I doubt whether there are that many. There are perhaps 50 Negro votes in my State. I repeat, certainly the Senator from North Dakota cannot be charged with playing politics in this matter. I feel, however, Mr. President, that I am in a peculiar position, not only to bring to the attention of the Senate but to the attention of the entire Nation how the Democratic Party has played politics with the so-called Negro vote. I welcome the opportunity to do it.

I hold in my hand the Democratic platform which was adopted at Philadelphia a little over a year ago, in which the party pledged, time and time again, what it was going to do for the poor, the oppressed, and particularly for the Negro. The platform mentions anti-lynching bills, anti-poll-tax bills, and FEPC bills. Yet, Mr. President, the Democratic Party has been in control of the Government, with a majority of approximately 100 in the House of Representatives and a majority of from 10 to 12 in the Senate, with a Democratic President sitting in the White House, and during the Eighty-first Congress, first session, they did not even bring up such a bill upon which we might vote on this question. All we have had has been promises and no action. It is my considered judgment that we shall not get any action in the second session of the Eighty-first Congress at any time, in spite of the fact that for a long time

two such bills have been upon the calendar.

I should like to reach a vote on the subject. I assume a motion will be made to table the resolution. I hope I may be accorded the courtesy of a ye-and-nay vote, so that the people may know who are their friends and who are their enemies.

I might say, Mr. President, that perhaps the best example—I shall give two examples—of how the Democratic Party has played with this segment of the American population, would be to cite the following occurrence:

Four years ago the education bill was being considered. It was introduced by the distinguished Senator from Ohio [Mr. TAFT]. I offered an amendment which provided that if any State did not apportion the State money fairly between Negroes and whites it would be barred from receiving any Federal aid. Who defeated that amendment? Every Senator on the floor received a telegram from a man by the name of Walter White who said he was the head of the National Association for the Advancement of Colored People. He asked us to vote against that amendment.

Mr. President, can you imagine a man, really, truly, honestly, and genuinely interested in getting a bill passed, being opposed to the amendment which I offered at that time?

I think it will be found, if the resolution be adopted, that Walter White was one of the men who at that very time was upon the pay roll of the Democratic Party, because he had a Federal job.

Let me give another illustration. At the time when the matter of seating the late Senator Bilbo was under consideration a colored lawyer in this city by the name of Perry Howard, wrote a letter in which he said:

The bill you are now considering is valueless. Even if it is passed, it will mean nothing.

In that letter he offered certain amendments dealing with legislation in the States in which poll-tax laws are still in existence.

Did my distinguished brethren on the other side of the aisle adopt the recommendation made by Perry Howard, the colored lawyer to whom I have referred, a man who was a friend of the late Senator Bilbo? They did not. Mr. Howard said that even if the bill were passed it would be valueless, so far as actually permitting colored persons to vote.

So, Mr. President, at this time, because I believe it will very likely be the only opportunity in this entire session, and at the request of Edgar G. Brown, president of the National Negro Council, with a membership of 2,000,000 Negroes, I offer this amendment, and I shall offer two other amendments.

I should like to tell the Senate that again, just as I expected, I received a telegram from one of the Negro associations, an outfit headed, apparently, by a man by the name of Henderson, asking me not to bring up these amendments at this time. But I say that an honest man does not mind when an amendment comes up. An honest man, who has a sincere interest in trying to get a bill

passed which, in my opinion, is a thousand times more important than is any oleomargarine bill, would not be sending a telegram of that kind unless he had some sinister interest. That is why I want my resolution to be referred to the Senate Judiciary Committee, and I want an investigation made to find out how many of these so-called Negro leaders have been betraying the Negro race and lying morning, noon, and night. They were lying in 1932, 1933, 1934, 1935, and 1936, down to the last election. They were lying to those poor people who were depending upon them, because they held high offices in some of the Negro organizations and in some of the poor-white organizations. I want those persons to appear under oath, to admit whether they were or were not upon the pay roll of the Government during the time the Democrats have been in control within the past 10 years.

In other words, Mr. President, at the request of Edgar G. Brown, president of the National Negro Council, with 2,000,000 members, I am asking for a square deal for the Negro people of the United States, the whole 13,000,000 of them, because they have not been getting a square deal. From 1933 up to the present time all they have been getting is promises, promises, and more promises. At election time candidates go out among these folk and say to them, "If only you will put us back in office, we will see that the anti-poll-tax bill and the antilynching bill and the FEPC bill are enacted."

Mr. President, we are at last asking for a show-down, to find out how many of the Democrats on the other side of the aisle, who since 1932 have been yelling that they are for all these measures, will stand up and be counted now when they have a chance to get this legislation enacted.

SOUTHERN REGIONAL EDUCATION

Mr. HOLLAND. Mr. President, I do not rise at this time to reply to the address just made by the distinguished senior Senator from North Dakota, although I must say that I completely agree with one position which he took—namely, that the handling of the subject of anti-poll-tax legislation by the leadership of the Democratic Party over a long period of years has been a distinctly political handling. To be entirely fair and impartial, however, it must be admitted that the handling of that same subject by the Republican Party during the same period of time has been equally and just as distinctly political. I remind my good friend, the distinguished Senator from North Dakota, of the fact that, in spite of the declaration in his party platform in 1944 to the effect that the anti-poll-tax question should be handled through a Federal constitutional amendment, instead of following that course the party in which he claims membership, when it got into control of the Senate and of the House after the elections of 1946, declined and refused to follow that perfectly correct and perfectly constitutional course of action, which that party itself had endorsed in its platform and to which it was solemnly committed and, instead, chose to approach the subject through a Fed-

eral anti-poll-tax statute of highly doubtful constitutionality, and refused to adopt the suggestion or follow the course which was urged by numerous southern Democratic Senators, who themselves advanced a constitutional amendment dealing with this subject, and who in this Congress, the Eighty-first Congress, in the first and opening days of this Congress, introduced such a proposed constitutional amendment, 10 of the southern Democratic Senators joining as joint authors and cosponsors of that measure.

So I think that while the distinguished Senator from North Dakota is applying the term "politics" to the handling of this very interesting and vital subject by the leadership of the Democratic Party all through recent years, he should, with equal fairness and impartiality, admit, with his customary candor, that exactly the same political handling of that subject has prevailed on his side of the aisle and in the party in which he claims membership. The leadership of both parties has made the issue a political football.

Mr. President, I regret, in a way, that the amendment just offered by the senior Senator from North Dakota has been proposed, because the subject matter to which I wish to address myself is one which has sometimes been confused with the civil-rights issue, but one which, in my humble judgment, at least, should never be confused with it. I feel so keenly on the subject that I would not have continued with my intention to present the remarks which I now propose to make on the subject of southern regional education but for the fact that my release has already been given to the press.

With that point made, Mr. President, I wish to discuss briefly the subject of southern regional education, and I hope that those Senators who are interested in the subject—and I think that embraces all of us—will take the time either to listen to what is said here this afternoon on the floor of the Senate or at least to examine the RECORD tomorrow upon this subject, because such tremendous progress has been made since this subject was mentioned on the floor of the Senate nearly 2 years ago that I think every Senator will want to be advised as to the scope of the progress made.

Mr. President, the Senators now present who were here in February 1948 may recall that at that time 28 southern Senators, of whom I was one, introduced and sponsored Senate Joint Resolution 191, which was a joint resolution designed to give the consent of Congress to the compact on regional education entered into between the 15 southern States at Tallahassee, Fla., on February 8, 1948. Representative SAM HOBBS, of Alabama, introduced in the House a companion measure, House Joint Resolution 334, which, after debate, passed the House on May 4, 1948, by the impressive vote of 235 to 45. I remind Senators that a subcommittee composed of the Senator from Wisconsin [Mr. WILEY], who at that time was chairman of the Senate Judiciary Committee, and the then junior Senator from Rhode Island,

81ST CONGRESS
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 17 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER (for himself and Mr. McCARTHY) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz: At the proper place in the bill insert the following:

1 SEC. . (a) Effective on and after the first day of the
2 first month which begins more than twenty days after the
3 date of enactment of this Act—

4 (1) the tax imposed by section 1700 (a) of the
5 Internal Revenue Code (tax on admissions) ;

6 (2) the tax imposed by section 3406 (a) (10) of
7 such code (tax on electric light bulbs and tubes) ;

8 (3) the tax imposed by section 2400 of such code
9 (tax on jewelry) ;

1 (4) the tax imposed by section 2401 of such code
2 (tax on furs) ;

3 (5) the tax imposed by section 2402 of such code
4 (tax on toilet preparations) ;

5 (6) the tax imposed by section 3465 (a) of such
6 code (taxes on telegraph, telephone, radio, and cable
7 facilities) ; and

8 (7) the taxes imposed by section 3469 of such
9 code (taxes on transportation of persons, and on seat-
10 ing or sleeping accommodations in connection with such
11 transportation) ;

12 shall be determined without regard to the war tax rates speci-
13 fied in section 1650 of such code.

14 (b) Effective on and after the first day of the first
15 month which begins more than twenty days after the date
16 of enactment of this Act, section 1651 of the Internal Rev-
17 enue Code (retailers' excise tax on luggage; purses, hand-
18 bags, toilet cases, etc.) is hereby repealed.

19 (c) Effective on and after the first day of the first
20 month which begins more than twenty days after the date
21 of enactment of this Act, section 3406 (a) (4) of the
22 Internal Revenue Code (manufacturers' excise tax on photo-
23 graphic apparatus) is hereby amended by striking out "25
24 per centum" and inserting in lieu thereof "10 per centum",

1 and by striking out “15 per centum” and inserting in lieu
2 thereof “10 per centum”.

3 (d) For the purposes of section 1657 of the Internal
4 Revenue Code (relating to floor stocks refunds on electric
5 light bulbs) and of section 1658 of such code (relating to
6 the application of the effective date of rate reduction in the
7 case of telephone, telegraph, etc., services) the term “rate
8 reduction date” means the first day of the first month which
9 begins more than twenty days after the date of enactment
10 of this Act.

AMENDMENT

Intended to be proposed by Mr. BUTLER (for himself and Mr. MCCARTHY) to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

JANUARY 17 (legislative day, JANUARY 4), 1950

Ordered to lie on the table and to be printed

LIQUOR AND FREE SPEECH—EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Liquor and Free Speech," published in the Christian Science Monitor of January 14, 1950, which appears in the Appendix.]

THE CLOSE OF A CHAPTER—ARTICLE BY FELIX MORLEY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "The Close of a Chapter," written by Felix Morley and published in Human Events of January 11, 1950, which appears in the Appendix.]

FAILURE OF PEACE ON EARTH—LETTER FROM EMIL FREDRICH

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter addressed to the editor of the Garrison (N. Dak.) Independent, by Emil Fredrich, of Garrison, N. Dak., which appears in the Appendix.]

MR. TRUMAN'S BUDGET — EDITORIAL FROM THE NEVADA (MO.) DAILY MAIL

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Truman's Budget," published in the Nevada (Mo.) Daily Mail of January 10, 1950, which appears in the Appendix.]

THE PINE TREE—ESSAY BY JACKIE DOUBERLY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an essay by Jackie Douberty, entitled "The Pine Tree, Its Importance and Possibilities to Baker County," together with her accompanying letter, which appear in the Appendix.]

GET THE REAL FACTS BEFORE JUDGING EIGHTY-FIRST CONGRESS — STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement by him broadcast at the week end October 14-16, on the subject Get the Real Facts Before Judging Eighty-first Congress, which appears in the Appendix.]

LOW-RENT HOUSING PROGRAM OF THE EIGHTY-FIRST CONGRESS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him on the subject Low-Rent Housing Program of the Eighty-first Congress, which appears in the Appendix.]

FARM BILL OF THE EIGHTY-FIRST CONGRESS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him on the subject Farm Bill of the Eighty-first Congress, which appears in the Appendix.]

WAGE-HOUR BILL OF THE EIGHTY-FIRST CONGRESS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him on the subject Wage-Hour Bill of the Eighty-first Congress, which appears in the Appendix.]

ACHIEVEMENTS BY ECA—STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him on the subject Achievements of ECA, which appears in the Appendix.]

CHRISTMAS 1949—STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a broadcast by him on the subject Christmas 1949, which appears in the Appendix.]

I SPEAK FOR DEMOCRACY—PRIZE-WINNING ESSAY BY MISS GLORIA CHOMIAK

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a winning essay entitled "I Speak for Democracy," by Miss Gloria Chomiak, of 510 South Heald Street, Wilmington, Del., in the recent contest sponsored by the National Association of Broadcasters, the Radio Manufacturers Association, and the United States Junior Chamber of Commerce, which appears in the Appendix.]

NLRB SCHISM—EDITORIAL FROM THE WASHINGTON POST

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD an editorial entitled "NLRB Schism," published in the Washington Post of January 18, 1950, which appears in the Appendix.]

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. MYERS. Mr. President, there is now pending to the oleo bill an amendment proposing to add as a rider the antilynching bill. I believe similar amendments proposing to add the FEPC bill and the anti-poll-tax bill as riders to the oleo bill will also be offered. Therefore I should like to address my remarks to all those riders, although but one is pending at the moment.

Mr. President, I am going to vote to table further discussion of the civil-rights amendments which have or will be proposed as riders on the bill to repeal the Federal taxes on oleomargarine. However, I want the RECORD to be absolutely clear as to why I am supporting the motion to lay these amendments on the table.

In the first place, I think it is imperative that we identify these riders for what they are. The so-called civil-rights riders are designed to kill oleo tax repeal. They have that purpose, and no other purpose. The riders are not intended to give us, in a single package, both repeal of oleo taxes and civil rights. It is simply a cut-rate device to kill two birds with one stone.

We are told that a vote in favor of tabling the amendments is a vote against civil rights. This is categorically untrue—and I believe this may be proved with what approaches mathematical exactness. I am happy, incidentally, to report that such responsible organizations as the National Association for the Advancement of Colored People recognize that the amendments are being attempted here for the wrong purpose.

Mr. President, I understand that the majority leader will address himself in detail to a telegram which has been received from the acting secretary of the National Association for the Advancement of Colored People in which he has made very clear the position of his organization in regard to these amendments. Therefore, I shall not burden the Senate with a discussion of the opinions of that organization, inasmuch as the distinguished majority leader will, I understand, address himself to that subject. But I ask unanimous consent that the telegram be printed in full at this

point in the RECORD, as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Senator FRANCIS J. MYERS,

Senate Office Building, Washington, D. C.:

On behalf of the National Association for the Advancement of Colored People we urge the defeat of the so-called civil-rights amendments offered by Senator WILLIAM LANGER to H. R. 2023, the bill to repeal oleomargarine tax. As you know, this association since its inception 40 years ago has worked unceasingly to win for all persons, regardless of race, religion, or nationality, security of person and freedom of political and economic opportunity. Senator LANGER does not intend for his amendments to further the cause of civil rights. He desires only to defeat the oleomargarine-tax repeal. Senator LANGER made this clear in his speech on the Senate floor January 11 when he charged that the passage of H. R. 2023 "Will ruin thousands of farmers in the State of North Dakota." Last year, this association actively supported amendments to prohibit racial segregation in housing and education when respective bills were before the Senate. Racial discrimination in both of these fields is widely practiced and should be banned in all Federal aid to such programs. Lynching, poll taxes, and other such civil-rights questions are not, however, germane to, or involved in, the repeal of the oleomargarine taxes. We, therefore, urge the defeat of the so-called Langer civil-rights amendments.

ROY WILKINS,
Acting Secretary.

Mr. MYERS. Mr. President, I feel that this telegram alone should serve to make it clear that a vote to lay the civil-rights amendments on the table is not a vote against the merits of those issues, but I feel that I should make some further explanation as to why I shall support the motion to table the amendments.

I shall begin, however, by reaffirming my position regarding these two completely unrelated issues which have been brought together before us.

First, I want to see the discriminatory Federal taxes on oleomargarine done away with—and I want to see that done now.

Secondly—and I am sure there is no Member of this body who does not already know this—I have consistently fought for civil rights at every opportunity which has presented itself during the years I have been in the Congress. I have fought for them outside the Congress as well. I have fought for them because of the sincere conviction that the American spirit of fair play and justice, by its very definition, insists that no person be discriminated against in his work, in his beliefs, or in his living, because of his race or because of the color of his skin. That has been my position. It is still my position.

Yet, Mr. President, I intend to vote to stop, here and now, any further discussion of civil rights, and get on with the business of repealing the oleo taxes.

Why do I make that statement? The reasons are to be found, fundamentally, in several technical requirements of the rules under which the Senate conducts its business as a legislative body. Once those rules are clearly understood, the reasons for voting to table the motion are obvious.

To begin with, the pending business of the Senate at this instant is the bill to repeal Federal taxes on oleo. Amendments which have been called up for debate would add to that bill sections providing for a number of civil-rights laws. These amendments are not germane to the oleo bill. They have nothing to do with that bill. Furthermore—and this is also an important consideration—separate legislative committees of the Congress have jurisdiction over these unrelated issues.

During the course of our debate on these amendments, a motion will be made to lay the amendments on the table; in other words, that we abandon further discussion of them.

Let us consider, then, just what it is we shall be doing in voting on the motion to lay the amendments on the table. A vote in favor of tabling merely means that we are abandoning at this time further debate on the merits of the amendments. A vote against tabling means we wish to continue discussing civil rights.

Thus, a vote against the motion does not do anything more than keep the discussion alive. It does not tie the amendments to the oleo bill. If, by refusing to table, we continue discussing the amendments, I think it is clear to all of us that a filibuster will result, because those who oppose civil-rights legislation do not wish to see the Senate reach a vote on the riders.

Assuming, then, that a filibuster develops, in the event we do not table the rider proposals, what happens when we seek to apply cloture and cut off debate? This is the critical point to an understanding of the entire question before us. A cloture petition, by the requirements of rule XXII, can be applied only to the business then pending in the Senate, which now is the oleo bill. Rule XXII also specifically rules out the consideration of any matter not germane to the pending business—and thus the civil-rights amendments would be automatically stripped away on a point of order, because clearly they are not germane to the oleo bill.

So, if cloture is invoked, we have merely limited debate on the oleo bill—minus any pending amendments that are not germane—and there is nothing whatsoever in the Senate rules which will permit us to limit debate on an amendment to the oleo bill if the amendment is not germane. In other words, a vote which would follow a cloture ruling would be a vote on the merits of the oleo bill alone.

I invite any Member of the Senate to suggest to me now any conceivable technique under the Senate rules which will permit us to invoke cloture in such a fashion that we may come to a vote squarely on the issue of appending the civil-rights amendments to the oleo bill. This simply is not possible—period.

Debate on these amendments can be endless, or, at least, they can be filibustered as long as those opposed to them wish to filibuster them. So I conclude that we all agree there is little hope of ending such a filibuster if we cannot invoke cloture to assist us.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. MYERS. I am happy to yield.

Mr. HOLLAND. Aside from the technical grounds which the Senator has so ably urged—and I take it that he is completely sound in his position—is it not true that the practical effect of attaching civil-rights amendments to the pending oleomargarine tax repeal bill would be to join together as opponents of the measure, as it would then exist, those who oppose the repeal of the oleomargarine tax and those who oppose the civil-rights program, with the result that under those circumstances it would become impossible to obtain the votes of a majority of the Members of the Senate in favor of such a joinder of issues in this one bill?

Mr. MYERS. I say to the distinguished junior Senator from Florida there can be no question about that. As I said earlier in my remarks, that is the purpose of such amendments. Their purpose is to kill the oleomargarine tax repeal bill. In fact, I think it has been stated here on the floor that some of the opponents of the oleomargarine tax repeal bill will use any tactics to gain their objective, namely, to defeat that bill.

So, what is the answer to all this, Mr. President? The answer is that there is no possible way in which we may get a clearly defined vote on the civil-rights amendments to the oleo bill unless we wear out a filibuster; and that, I submit, is the hard way to achieve civil rights.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MAYBANK. The Senator has referred to wearing out a filibuster. If the filibuster were worn out, the amendments would be germane; would they not?

Mr. MYERS. Yes; but if cloture were invoked, the amendments would not be germane.

Mr. MAYBANK. Yes.

Mr. MYERS. Mr. President, there is an easier way—a direct way—in which we may come to a clear-cut vote on the merits of such civil-rights legislation as FEPC, and that way is to bring up the FEPC bill pending now on the Senate Calendar. When the FEPC bill, standing on its own legislative feet, is before us, we can file a cloture petition to limit the debate on it. Thereupon if, under the new rule XXII, which was adopted last winter over my protest, for I felt it would make cloture harder to obtain, we are successful in getting 64 Senators to vote to apply cloture on the FEPC debate, we then can go on to vote on the bill a short time later.

I want to say something further at this time to some of my colleagues in the Senate who, like myself, have strong convictions in favor of FEPC. Some of these Senators are troubled by the assertion that if they vote to table discussion of the civil-rights amendments, they are, in effect, voting against FEPC, antilynch, anti-poll tax, and others. Some of the same Senators are troubled, too, that they may not have another opportunity during this session of the Congress to bring the FEPC issue squarely into focus

and vote on it. To them I say that in his message to the Congress, on January 4 of this year, President Truman called upon us to enact the FEPC law and the other civil-rights measures. The distinguished majority leader of the Senate, the senior Senator from Illinois [Mr. Lucas] has repeatedly stated for himself, and for the majority policy committee of the Senate, of which both he and I are members, that we fully intend to schedule debate on the pending FEPC bill early in this session of the Congress. He has reiterated that pledge just recently. I, as a member of the majority policy committee, also give my solemn pledge that I shall work unrelentingly to bring up the FEPC bill. Furthermore, I am prepared to state as my unqualified belief that we will debate FEPC on its own merits in a very short time.

The reasons I have already stated are sufficient in themselves to show conclusively that we could not possibly be successful in amending the oleo bill to include the civil rights riders, and, what is more, that we cannot bring the Senate to a vote on the merits of the riders short of breaking a filibuster without benefit of cloture.

There are, however, other very good reasons for voting to lay the amendments on the table. I am convinced that the riders are devices to launch an unrestrained filibuster. It is perfectly evident that the amendment has no other purpose than to kill the oleo bill.

As all of us are aware, we have in the Senate no rule of germaneness, apart from the restriction which applies to general appropriations bills—no rule, in other words, that, at least theoretically, prevents us from trying to wed together completely unrelated issues.

We know, too, that nongermane riders have been used repeatedly in the past to kill legislation, which otherwise could be passed, because we have numerical majorities great enough to do so. It is obvious that the technique of attempting nongermane amendments is, as the Senator from Florida just said, a technique merely to divide our strength and to defeat our efforts to pass measures which we are otherwise in a position to pass.

I therefore wish to submit the thought, Mr. President, that we have ahead of us in this session a great deal of vital legislation, on which, taken individually, bill after bill will be passed, if we confine our discussion to one issue at a time. If we fail to discipline ourselves, if we fail to stick to a self-imposed rule of germaneness, we shall stand helplessly by, watching measure after measure go down in defeat through the mechanism of nongermane riders, which will tie us up in knots, or cut away the voting strength of the majorities who support the individual bills.

So, Mr. President, I repeat the thought I suggested in the opening of my remarks: Let us recognize the civil rights riders for what they are. Let us vote to lay them on the table, and let us get down to the business of repealing the oleo taxes. And then, when FEPC comes before the Senate, as I am confident it will come, shortly, let us confine our-

selves to the merits of FEPC and not be side-tracked at that time by the efforts which will be made to kill it through the technique of some other nongermane rider designed to produce a stalemate.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. MYERS. I yield.

Mr. FERGUSON. I notice the Senator is asking that no vote be taken on the antilynching bill which the Senator from North Dakota has sponsored and which is now on the calendar, but the Senator wants to vote on it later. Will the Senator from Pennsylvania, as the whip on the Democratic side, consent to taking it up and making it the next regular order of business in the Senate? If it is not germane to the pending bill, will the Senator see that it is brought before the Senate as the next order of business?

Mr. MYERS. That is something, as the Senator from Michigan knows, which I cannot decide. I think the Senator should be well satisfied with the assurance and promise of the able majority leader, a man of integrity, that the Senate will have an opportunity to vote on some of the civil-rights bills at an early date. The majority leader and the majority policy committee have a program. They have other things to consider, too. The basing-point bill, by order of the Senate, is to be taken up Friday. I know how greatly interested the Senator from Michigan is in the displaced-persons bill, which, by order of the Senate, will be back on the calendar on the 25th. We have much important business, but I think, when the majority leader gives the Senate his word that civil-rights legislation, in which I am just as much interested as is the Senator from Michigan, will be brought up at a very early date, the Senator should be well satisfied with the promise and assurance of the majority leader.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield further to the Senator from Michigan?

Mr. MYERS. I yield.

Mr. FERGUSON. The Senator from Michigan merely wants to say that in the number of years he has been in the Senate, he has always seen that the bill in question has not been on the program, insofar as coming to a vote is concerned. We find civil-rights bills introduced from year to year, during which time, with the exception of 2 years, the present majority has been in power. The majority party does not bring them up at a time when the Senate could really get a vote on them, which is early in the session. That is why the Senator from Michigan feels that he will vote not to table the amendment, because the time is ripe. If it is desired to pass a bill on this subject, let us pass it now.

Mr. MYERS. I may say to the Senator, I have been endeavoring to be very factual in the matter, and I have not injected politics into it. It was not my

intention to inject politics into the subject, because I am interested in getting a repeal of the tax on oleo.

Mr. FERGUSON. Does the Senator from Pennsylvania consider it to be the injection of politics because a Republican rises—

Mr. MYERS. Let me finish.

Mr. LUCAS. Mr. President, I demand the regular order.

The VICE PRESIDENT. The regular order is that the Senator from Pennsylvania may yield for a question only.

Mr. MYERS. Let me finish. I said I had endeavored to approach the question through the rules, and to discuss it dispassionately. The Senator has mentioned that the Democratic Party has been the majority party for a good many years, and that we have not brought up certain of these bills. I may say to the Senator that the first order of business in the Eighty-first Congress was a motion to change the rules. We were not successful. We got a bad cloture rule. We made an effort to support the decision of the Vice President. The first order of business was the motion to change the rules, which was the most important thing in the consideration of civil-rights legislation. But I may say to the Senator that the bill in question was on the calendar for 15 months during the Eightieth Congress, during which time no attempt was made to bring it up.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. MYERS. I yield for a question.

Mr. FERGUSON. Does the Senator from Pennsylvania know where the junior Senator from Michigan stood on the question of the cloture rule?

Mr. MYERS. I know definitely.

Mr. FERGUSON. The Senator from Michigan stood alongside the Senator from Pennsylvania, did he not?

Mr. MYERS. Definitely; and he did everything in his power to see to it that a real change in the rules was finally accomplished. We were unsuccessful. But, as I have already said, there is no possible way in which we can get civil-rights legislation during a discussion of the oleo bill, without a prolonged filibuster, and without breaking a filibuster without benefit of cloture. So I say let us confine ourselves to the merits of FEPC and civil-rights legislation, and not be sidetracked by the efforts which will be made to kill it through the technique of some other nongermane rider designed to produce a stalemate.

A rule of germaneness is a good rule—and even though our official rules of the Senate do not impose that limitation upon us other than in the instance of general appropriation bills, we can impose one upon ourselves, and thus make it possible by the end of the second session of the Eighty-first Congress to come up with a record of achievement which all of us may view with pride. The alternative of being bogged down with death-dealing riders, by a refusal to lay them on the table each time they are brought up, is an alternative I do not like to contemplate.

I trust and hope, therefore, that when a motion is made to table the riders the motion will prevail.

Mr. LUCAS. Mr. President—

The VICE PRESIDENT. The Chair recognizes the Senator from Illinois.

Mr. LUCAS. Some time ago, in a conference of the Democratic Members of the Senate, we went on record as being opposed to all amendments during the present session of Congress which were not germane to an issue pending before the Senate. It is my studied opinion that we took a remarkable step in the direction of more orderly procedure in the Senate, so far as expediting the business of the Senate is concerned. The amendment pending before the Senate at the present time, as everyone knows, is utterly irrelevant to the issue we are now debating. It is a classical example of what can be done in the Senate under the rules as they now exist. I prophesy that, sooner or later, as a result of the tremendous amount of work the Senate has before it in these days of domestic and world problems, the Senate ultimately will bring in a rule under which no amendment to an issue pending before the Senate, unless germane, shall be considered. That is the rule in the House of Representatives. There is absolutely no reason, so far as I can see, why the Senate, if it desires to expedite its business, should not have a similar rule.

We have the amendment offered by the distinguished Senator from North Dakota, seeking to attach the antilynching bill to a bill to repeal the tax on oleomargarine—two bills which are just as far apart as the two poles, Mr. President. Yet, under the rules of the Senate, the Senator from North Dakota is permitted to do that. We are compelled to take the time of individual Senators to debate, vote, and raise parliamentary situations, to reach a final conclusion upon it.

Mr. President, no one is being deceived as a result of what my distinguished friend from North Dakota is doing in connection with the offering of his amendment. My friend waited until the Wiley-Gillette substitute was defeated before he offered the amendment to the original bill. I am sure he would now admit that had the Wiley-Gillette substitute been adopted, he would not have delayed the Senate by offering this kind of an amendment to the oleomargarine bill. In other words, the Senator from North Dakota was more interested, and rightly so from his viewpoint, in killing the repeal of the margarine tax than in any other one thing. He made his position clear on the floor of the Senate. He debated the issue at great length, which it was his right, of course, to do. But the Senator from North Dakota knows that as a result of offering his amendment he may cause a filibuster to start which will ultimately defeat the repeal of the oleomargarine tax. That is what he hopes to do. That is the real reason for the offering of the amendment. Every Senator knows that to be so, and the country knows it. The Senator from North Dakota is not deceiving the people

who are truly interested in passing a civil-rights program.

Mr. President, I want to read into the RECORD at this time two telegrams from organizations which are vitally concerned with civil rights. They are more interested in civil rights than they are in the repeal of the margarine tax, so far as that goes, but at the same time they do not want to see civil rights riders placed on the bill, because they know the reason why such a maneuver is being attempted.

The first telegram which I wish to read is as follows:

WASHINGTON, D. C., January 17, 1950.
Hon. SCOTT W. LUCAS,
Senate Office Building,
Washington, D. C.:

Our organizations stand staunchly in support of the President's civil-rights program. The national emergency civil-rights mobilization has demonstrated the fullness of our support for this program. However, we do not favor the proposed civil-rights riders to the oleo tax-repeal measure. We believe that these riders, if adopted, would insure the defeat of oleo tax repeal. We strongly urge that you not allow the great issue of civil rights to be misused so as to defeat programs designed to benefit the economic welfare of the great majority of Americans.

Roy Wilkins, Acting Executive Secretary, National Association for the Advancement of Colored People; Violet M. Gunther, Legislative Representative, Americans for Democratic Action; Lewis Hines, Special Representative, American Federation of Labor; George L. P. Weaver, National CIO; Elmer Henderson, Director, American Council of Human Rights; Michael Straight, Chairman, American Veterans Committee; Herman Edelsberg, Washington Representative, Antidefamation League, B'nai B'rith.

The telegram refers to the issue of civil rights being misused. That is exactly what is attempted to be done by this sort of an amendment.

The next telegram which I wish to read comes from the National Association for the Advancement of Colored People, which reads as follows:

WASHINGTON, D. C., January 16, 1950.
Senator SCOTT LUCAS,
The Senate Office Building,
Washington, D. C.:

On behalf of the National Association for the Advancement of Colored People we urge the defeat of the so-called civil-rights amendments offered by Senator WILLIAM LANGER to H. R. 2023, the bill to repeal oleomargarine tax. As you know, this association since its inception 40 years ago has worked unceasingly to win for all persons, regardless of race, religion, or nationality, security of person and freedom of political and economic opportunity. Senator LANGER does not intend for his amendments to further the cause of civil rights, he desires only to defeat the oleomargarine tax repeal. Senator LANGER made this clear in his speech on the Senate floor January 11 when he charged that the passage of H. R. 2023 "will ruin thousands of farmers in the State of North Dakota." Last year this association actively supported amendments to prohibit racial segregation in housing and education when respective bills were before the Senate. Racial discrimination in both of these fields is widely practiced and should be banned in all Federal aid to such programs. Lynching, poll taxes, and other such civil-rights questions are not, however, germane to, or in-

involved in, the repeal of the oleomargarine taxes; we therefore urge the defeat of the so-called Langer civil-rights amendments.

ROY WILKINS,
Acting Secretary.

Mr. President, I have read these telegrams into the RECORD to advise the Members of the Senate that those who are deeply interested in the passage of civil-rights legislation are unalterably opposed to the amendment offered by the Senator from North Dakota.

Some statements have been made with reference to those who support amendments of this kind or who may be instrumental in the sponsoring of such amendments. It has been said that they are doing it for one purpose, and for one purpose only, and that is to defeat the repeal of the margarine tax. I should like to absolve any Member of the Senate on the Democratic side of the aisle, who has been opposed to the repeal of the oleomargarine tax and has represented his constituency in the dairy sections of the country ably and well, of being in any way responsible for the offering of this amendment. I should like to state, Mr. President, that in due course of this session the Senator from Illinois, the majority leader, having discussed the subject with the policy committee, and a majority of that committee having agreed with him, we shall be constrained to take up certain phases of the civil-rights program. I can assure my friends on both sides of the aisle that that will be done, and the first issue which will come before the Senate is the FEPC bill which is now on the calendar ready for action. There will be no question about that, Mr. President.

I sincerely hope that those Senators who supported the present cloture rule, which provides that 64 Members of the Senate must vote for cloture before we can get a vote on a bill, will remember, when the civil-rights bills come before the Senate, the vote they took to fasten that rule upon the Senate, and will vote to give us an opportunity to pass upon such legislation when the time comes.

I shall not take the time of the Senate to discuss that issue, because it is not germane at this particular time.

Mr. President, I hope the Senate of the United States, Democrats and Republicans alike, will vote to table the amendment offered by the Senator from North Dakota because of what seems to me the unanswerable arguments which have been made against it.

Mr. FULBRIGHT. Mr. President, I move to lay on the table the amendment offered by the Senator from North Dakota.

Mr. LANGER. Mr. President—

The VICE PRESIDENT. The motion is not debatable.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called and the following Senators answered to their names:

Aiken	Capehart	Eastland
Anderson	Cordon	Eaton
Benton	Darby	Ellender
Brewster	Donnell	Ferguson
Bridges	Douglas	Flanders
Butler	Downey	Frear
Cain	Dworshak	Fulbright

George Gillette	Leahy	O'Connor
Graham	Lehman	O'Mahoney
Green	Lodge	Pepper
Gurney	Long	Russell
Hayden	Lucas	Schoeppel
Hendrickson	McCarran	Smith, Maine
Hill	McCarthy	Smith, N. J.
Hoey	McClellan	Sparkman
Holland	McFarland	Taft
Humphrey	McKellar	Taylor
Jenner	McMahon	Thomas, Okla.
Johnson, Colo.	Magnuson	Thomas, Utah
Johnson, Tex.	Malone	Thye
Johnston, S. C.	Martin	Tobey
Kefauver	Maybank	Tydings
Kem	Millikin	Vandenberg
Kilgore	Mundt	Watkins
Knowland	Murray	Williams
Langer	Myers	Withers
	Neely	Young

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] to lay on the table the amendment offered by the Senator from North Dakota [Mr. LANGER].

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. RUSSELL. I have been requested to announce that the senior Senator from the State of Virginia [Mr. BYRD] is unavoidably detained today. He is in Richmond attending the inauguration of the Governor of that Commonwealth. If present, the senior Senator from Virginia would vote "yea."

Mr. WITHERS. My colleague the senior Senator from Kentucky [Mr. CHAPMAN] is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico. If he were present he would vote "yea."

Mr. EASTLAND. My colleague the junior Senator from Mississippi [Mr. STENNIS] is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico. If he were present he would vote "yea."

Mr. MCCARTHY (after having voted in the negative). I have a pair with the junior Senator from Virginia [Mr. ROBERTSON]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withdraw my vote.

Mr. MYERS. The junior Senator from Oklahoma [Mr. KERR], the senior Senator from Texas [Mr. CONNALLY], and the junior Senator from Wyoming [Mr. HUNT], are absent on important public business. If these Senators were present and voting they would vote "yea."

I announce further that the junior Senator from Virginia [Mr. ROBERTSON] is attending the inauguration today of the Governor of the Commonwealth of Virginia and is unavoidably absent. His pair on this vote with the junior Senator from Wisconsin [Mr. MCCARTHY] has previously been announced.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business as a member of a subcommittee of the Committee on Public Works, holding hearings in the State of New Mexico.

Mr. SCHOEPPEL. I announce that the Senator from Iowa [Mr. HICKENLOOPER], who is absent by leave of the Senate, is paired with the Senator from Massachusetts [Mr. SALTONSTALL], who is absent on official business. If present

and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay," and the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

The Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE], who is absent on official business, is paired with the Senator from Wisconsin [Mr. WILEY], who is absent on official business. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "yea," and the Senator from Wisconsin [Mr. WILEY] would vote "nay."

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "nay."

The Senator from Ohio [Mr. BRICKER] is detained on official business.

The result was announced—yeas 60, nays 20, as follows:

YEAS—60

Anderson	Humphrey	Millikin
Benton	Johnson, Colo.	Murray
Bridges	Johnson, Tex.	Myers
Cordon	Johnston, S. C.	Neely
Darby	Kefauver	O'Connor
Douglas	Kem	O'Mahoney
Downey	Kilgore	Pepper
Eastland	Knowland	Russell
Ellender	Leahy	Schoeppel
Flanders	Lehman	Smith, Maine
Frear	Lodge	Smith, N. J.
Fulbright	Long	Sparkman
George	Lucas	Taft
Gillette	McClellan	Taylor
Graham	McFarland	Thomas, Okla.
Green	McKellar	Thomas, Utah
Hayden	McMahon	Tobey
Hill	Magnuson	Tydings
Hoey	Malone	Williams
Holland	Maybank	Withers

NAYS—20

Aiken	Ecton	Martin
Brewster	Ferguson	Mundt
Butler	Gurney	Thye
Cain	Hendrickson	Vandenberg
Capehart	Jenner	Watkins
Donnell	Langer	Young
Dworschak	McCarran	

NOT VOTING—16

Bricker	Hunt	Saltonstall
Byrd	Ives	Stennis
Chapman	Kerr	Wherry
Chavez	McCarthy	Wiley
Connally	Morse	
Hickenlooper	Robertson	

So Mr. FULBRIGHT's motion to lay Mr. LANGER's amendment on the table was agreed to.

Mr. PEPPER. Mr. President, I shall not take the time of the Senate, but I ask unanimous consent to have incorporated in the body of the RECORD, at this point, a brief statement setting out the fact that I favor the passage of the pending bill. I voted against the substitute, and I am opposed to all irrelevant amendments which may be offered thereto.

I send my statement to the desk for incorporation in the body of the RECORD.

There being no objection, Mr. PEPPER's statement was ordered to be printed in the RECORD, as follows:

Mr. President, under the present law housewives of America are compelled to pay a tax of 10 cents a pound for colored oleomargarine and ¼ cent a pound for uncolored margarine. In addition, the manufacturers, wholesalers, and retailers must pay license fees to the Federal Government. The total revenue from these taxes and fees has risen from \$1,347,190 to an estimated \$16,000,000 in 1950.

This tax on oleomargarine is unfair and discriminatory. What we are doing by keeping this tax is to raise the cost of living of the American families with lower incomes, who are the prime purchasers of oleomargarine, colored or uncolored. It is a burden on the housewives in these families who have the problem of providing a decent fare for their husbands and children.

The amount of the tax may be small to some people, but it is, I am sure, large to the nearly 16,000,000 families and individuals in the United States who have incomes under \$2,000, and probably to the 23,000,000 who have incomes between \$2,000 and \$5,000.

Oleomargarine is a good food. It has been established that it is as nutritious and digestible as butter. Nowadays manufacturers add the necessary vitamins to oleomargarine which puts it on a par with butter.

Mr. President, I am going to vote for the bill which has been reported by the Senate Committee on Finance. This bill would remove the Federal taxes and license fees on oleomargarine. It would continue to require reporting by manufacturers and wholesalers. It would permit yellow oleomargarine to move freely across State lines.

It would prevent adulterated and misbranded colored margarine from being served or sold in public places. Colored oleomargarine must be clearly identified as such. Misrepresentation of oleomargarine as butter is prohibited by section 5 (a) of the Federal Trade Commission Act, and we know that the Commission has promptly acted against labeling and advertising practices which were deceptive in confusing oleomargarine with butter. Under the Food, Drug and Cosmetic Act the Federal Security Administrator has established a standard of identity for oleomargarine and he has the power to prevent the shipment of any adulterated or misbranded oleomargarine in interstate commerce.

Mr. President, when the Congress repeals the oleomargarine tax it will be helping the housewives of America. This bill would add to and raise our national levels of nutrition and health. Increased production of oleomargarine would expand the market for our southern products, such as cottonseed oil, and soybean oil, which are used by manufacturers of nutritious oleomargarine. Therefore I hope in the interest of fairness and the general welfare of the people this bill, too long delayed, will speedily become law.

NOMINATION OF ADMIRAL FORREST SHERMAN TO BE CHIEF OF NAVAL OPERATIONS

Mr. McCARTHY. Mr. President, the other day the Senator from Maryland [Mr. TYDINGS] asked unanimous consent for the consideration by the Senate of the nomination of Admiral Forrest Sherman to be Chief of Naval Operations. At that time I objected, but not because I did not think Admiral Sherman would make a great Chief of Naval Operations. I know him by reputation to be the finest type of service officer; a man of outstanding ability and experience.

But I have here today a photostat of an official document which I intend to read to the Senate, which raises questions of a vastly more important nature than the mere confirmation of the nomination of any man to any post.

It brings up the very important question of whether the office of Chief of Naval Operations is now actually vacant. It brings up also the more important question of whether the Secretary of the Navy is a man who is completely incom-

petent or whether the other day before the Armed Services Committee he was just plain untruthful.

This document and the facts which I am about to discuss should bring to my colleagues the question of whether they actually have the power to appoint a Chief of Naval Operations to his statutory term of two full years. It raises the question of whether confirmation means that the Chief of Naval Operations may hold office for 1 day, 1 week, or 1 month—depending upon the extent to which he is willing to be a yes-man.

I specifically call the attention of the chairman and the members of the Armed Services Committee to the question whether there actually is a vacancy in the post of Chief of Naval Operations to which Admiral Sherman can be appointed, or whether the job is already filled by Admiral Denfeld, who as we all know is not physically occupying his post, but who as most of us do not know was commissioned to it for a 2-year term on September 14, 1949.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. TYDINGS. My advices are that there is a vacancy in the office of the Chief of Naval Operations at this time.

Mr. McCARTHY. I understand the Senator from Maryland [Mr. TYDINGS] in arriving at that conclusion, depends upon the testimony given by Secretary Matthews. Is that correct?

Mr. TYDINGS. Largely. As I understand the situation, Admiral Denfeld was nominated by the President; his nomination came to the Senate; the Committee on Armed Services held hearings and recommended the confirmation of Admiral Denfeld. After the Senate had acted and the matter went to the President, the President did not issue the commission. Therefore, there was no confirmed appointee in the job.

In the celebrated case of Marbury against Madison a similar question came before the Supreme Court of the United States, in which case the Supreme Court held that the President had the right not to issue a commission to an appointee, although he had been confirmed by the Senate; that the appointing power, notwithstanding confirmation, held good all the way up to the time of the issuing of the commission.

Mr. McCARTHY. May I interrupt the Senator? If the commission had been issued, then the Senator would say that there now is no vacancy?

Mr. TYDINGS. If the commission had been issued, in the judgment of the Senator from Maryland, without study into the matter, I would assume that there would be no vacancy until the term for which the admiral had been appointed had expired. Whether or not in that contingency the President would have the right of removal is not before the Senate, and the Senator from Maryland would not want to pass on it without more study as to the precedents, the law, and the circumstances that might enter into it.

Mr. McCARTHY. I thank the Senator from Maryland.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CAPEHART. How many more situations have existed exactly the same as the one which has just been described, namely that the Senate has confirmed someone and the President has refused to issue a commission?

Mr. McCARTHY. Mr. President—

Mr. TYDINGS. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. No, Mr. President, not for a minute. Before yielding I want to read this document, which I think will make unnecessary many of the questions which would otherwise be asked. I very much wish the Senator from Maryland would remain in the Senate Chamber.

Mr. TYDINGS. Mr. President, will the Senator yield to me for a moment?

Mr. McCARTHY. I yield.

Mr. TYDINGS. I should like to say to the Senator from Wisconsin that the Senator from Maryland has an important engagement at 1 o'clock and he must leave shortly. So if there are any questions which the Senator from Wisconsin desires to address to the Senator from Maryland, the Senator from Maryland would be grateful if he would do so in the immediate future, because I cannot remain much longer without breaking my engagement entirely. I did not know the Senator from Wisconsin was going to speak now or I would have postponed the engagement if that had been possible.

Mr. McCARTHY. There are some things to which I will call the Senator's attention in the next 2 or 3 minutes before he leaves, which I think he will consider of vast importance.

Mr. President, we must decide whether or not Admiral Denfeld has been legally removed before we can put another man in his place.

The law provides for not more than a total of 4 years' term of office as Chief of Naval Operations upon appointment by the President and confirmation by the Senate. The act did not provide that the Chief of Naval Operations could be removed at the pleasure of the President or the whim of the Secretary of the Navy.

The Supreme Court of the United States, in a unanimous decision handed down on May 27, 1935, held in the celebrated Humphreys case that the President of the United States could not remove a Government official in disregard of a fixed term prescribed by the Congress.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McCARTHY. I should like to continue for a short while. Let me speak for about three minutes more and then I shall be glad to yield to the Senator from Maryland.

Mr. TYDINGS. But the Senator wants to keep his facts straight as he goes along.

Mr. McCARTHY. I will not yield for about 3 minutes, and then I shall be glad to yield.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Wisconsin refuses to yield now.

Mr. McCARTHY. I will yield in about 3 minutes. There are some facts I want

to bring to the Senator's mind before he asks any more questions, because the Senator might be embarrassed by reason of the questions he may ask before first getting these facts.

Mr. TYDINGS. No, I will not be embarrassed by reason of any questions I may ask. I should like to have the Senator yield to me now.

Mr. McCARTHY. In the Humphreys case the Court held that there was insufficient cause to remove a public servant in disregard of a fixed term prescribed by Congress simply because his thoughts did not coincide with those of the Chief Executive. The Supreme Court wisely said:

It is quite evident that one who holds his office only during the pleasure of another cannot be depended upon to maintain an attitude of independence against the latter's will.

You, Mr. President, were a Member of the Senate at the time we passed the unification bill. You will recall that after careful study and thought, the Senate and the House, without a dissenting vote to that provision, decided that the term of office should be for a fixed term. On that point there can be no question. If we intended that he could be removed at the whim or caprice of the Secretary of the Navy, we would have so provided.

Mr. President, on the afternoon of last October 27, President Truman announced to a news conference that Admiral Denfeld was being replaced as Chief of Naval Operations.

Last week, Secretary of Navy Francis P. Matthews appeared before the Senate Armed Services Committee to support the nomination of Admiral Sherman as Chief of Naval Operations.

He testified, in effect, that a vacancy existed in the post of Chief of Naval Operations because this document did not exist. Therefore, Mr. Matthews reasoned, he was entitled to appoint a new man to this vacant post. His testimony was to the effect that if the document which I now hold in my hand were in existence, then there would not be a vacancy in the post of Chief of Naval Operations.

I gather from what the Senator from Maryland has just said that he also agrees with that. Before reading this document, I should like to refer to Mr. Matthews' testimony.

Incidentally, can the Senator tell me whether Mr. Matthews was under oath when he was before the committee?

Mr. TYDINGS. No.

Mr. McCARTHY. He was not?

Mr. TYDINGS. No.

Will the Senator yield to me, Mr. President?

Mr. McCARTHY. In a moment.

Mr. TYDINGS. I wish to answer the question, but I wish to do so in a parliamentary way.

Mr. McCARTHY. Very well; I yield.

Mr. TYDINGS. So far as I recall, Mr. Matthews was not under oath; and no member of the committee, either Democratic or Republican, requested that he testify under oath. Otherwise, the oath would have been administered.

Mr. McCARTHY. I thank the Senator.

Mr. President, the Senator from California [Mr. KNOWLAND], who was on the Armed Services Committee, asked some questions which are very pertinent. I read now from portions of the Secretary of Navy's testimony as it appears on pages 94 and 95 of the hearings before the Armed Services Committee last week:

Senator KNOWLAND. My recollection is that on or about the 15th of August, the former Chief of Naval Operations was confirmed by the Senate, and his name was sent up; is that approximately correct?

Secretary MATTHEWS. I would say about that time.

Senator KNOWLAND. You were Secretary of the Navy at the time?

Secretary MATTHEWS. I was Secretary; yes.

Senator KNOWLAND. How long is the term of Chief of Naval Operations?

Secretary MATTHEWS. The term for which Admiral Denfeld was appointed the first time was 2 years.

Senator KNOWLAND. Was the appointment on August 15, 1949, presumably for a 2-year term?

Secretary MATTHEWS. A second term of 2 years; yes, sir.

Senator KNOWLAND. Could you inform the committee as to how it happened that there is a vacancy in the office?

Secretary MATTHEWS. Well, at the present time the vacancy occurs by the fact that Admiral Denfeld's first term has expired and he never has been appointed for a second term. His name was suggested, he was confirmed, but his commission was never issued to him.

With that information before the Armed Services Committee, I think the committee was perfectly justified in assuming that there was a vacancy.

I read further:

Senator BRIDGES. Mr. Secretary, I do not want to break in, but Admiral Denfeld never, then, was the Chief of Operations for the second term?

Secretary MATTHEWS. No, sir.

Senator BRIDGES. The Senate confirmed him.

Secretary MATTHEWS. But that was, as I understand it, the confirmation was if the President wishes to appoint him, but he never appointed him for the second term. He never issued the commission.

Mr. President, in that connection I should like to read from this document. The one I hold in my hand is a photostatic copy of the commission, which was issued to Admiral Denfeld. The original is in his possession.

This is the commission which Secretary Matthews told the Armed Services Committee did not exist. It is Admiral Denfeld's commission as Chief of Naval Operations. It runs from December 15, 1949, to December 15, 1951. It is dated September 14, 1949. It is signed, Mr. President, by Francis P. Matthews and Harry S. Truman. It says that Harry S. Truman and Francis P. Matthews repose "special trust and confidence in the patriotism, fidelity, and abilities of Admiral Louis E. Denfeld." This is the commission which Secretary Matthews told the committee did not exist. I assure the Senate that it does exist.

Now I should like to ask the very able Senator who is chairman of the Armed Services Committee whether he thinks it might be well, before bringing Admiral

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The VICE PRESIDENT. If there be no further amendments to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

Mr. LANGER. Mr. President, I call up my amendment numbered A.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 19, after the word "of" it is proposed to insert "the foregoing provisions of."

On page 5, line 3, it is proposed to strike out the word "This" and insert in lieu thereof "The foregoing provisions of this."

On page 5, after line 6, it is proposed to add the following new sections:

SEC. . The requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and a tax upon the right or privilege of voting for said national officers.

SEC. . It shall be unlawful for any State, municipality, or other Government or governmental subdivision to prevent any person from voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, on the ground that such person has not paid a poll tax and any such requirement shall be invalid and void insofar as it purports to disqualify any person otherwise qualified to vote in such primary or other election. No State, municipality, or other Government or governmental subdivision shall levy a poll tax or any other tax on the right or privilege of voting in such primary or other election, and any such tax shall be invalid and void insofar as it purports to disqualify any person otherwise qualified from voting at such primary or other election.

SEC. . It shall be unlawful for any State, municipality, or other Government or governmental subdivision to interfere with the manner of selecting persons for national office by requiring the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, and any such requirement shall be invalid and void.

SEC. . It shall be unlawful for any person, whether or not acting under the cover of authority of the laws of any State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives.

Mr. LANGER. Mr. President, in connection with this amendment, I also want to read a resolution which I am going to send to the desk, on which I

am going to ask the Senate to take action after it is referred to the proper committee. The resolution is as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a thorough investigation to determine (1) what connection, if any, Lever Bros., or any subsidiary or affiliate thereof, had with raising the price of oleomargarine any time within the last 10 years, particularly at any time when legislation to remove the tax on oleomargarine was under consideration by the Congress of the United States—

I may say, Mr. President, that about a year ago when the oleomargarine question was up before the Senate, when it looked as though the bill removing the tax from oleomargarine might pass, at a time when the argument in favor of removing the tax from oleo was that the poor people would be able to buy oleo at a low price, rather than buy butter, at that very time Lever Bros. investment company and another corporation got together to corner oleomargarine not only in the United States but all over the world, and within a space of 3 weeks the price of oleomargarine was raised 23 cents a pound. I believe that should be investigated. When we remove the tax from oleo, are we doing it for the benefit of the common people of the country, or are we doing it for the benefit of a great big trust?—

(2) whether an attempt to corner the market on oleomargarine was made by or on behalf of Lever Bros. or any such subsidiary or affiliate; (3) what part, if any, Charles Luckman, as president of Lever Bros., had in any such attempt to corner the market and increase the price of oleomargarine—

I may say this is the same Charles Luckman who recently was appointed—I do not know by whom—to be general manager for the Democratic Party in the holding of its Jackson-Jefferson Day dinners all over the United States. I am curious to know why this man, whose company only a short time ago was sued by the United States Government for being part of a trust, and who came before the court pleading *nolo contendere*, saying, "Yes; it is all true," and who was a member of an outfit that paid a \$50,000 fine—this man was one of the defendants, who, with others, paid a fine of \$50,000—I am curious to know why that man should have been chosen by the Democratic Party, which says it is fighting the trusts, which says it is for the poor people, and that all the trusts belong to the Republican Party. I am curious to know why that man should have been chosen out of 157,000,000 people in this country by the Democratic Party to be at the head and to act as general manager of all the Jackson-Jefferson Day dinners to be held all over the country—

and (4) whether there is or has been a conspiracy on the part of the Lever Bros., its subsidiaries, or affiliates, and any other concerns, to violate the antitrust laws in causing an increase in the price of oleomargarine at any time during the last 10 years, and particularly to ascertain the part played therein by Charles Luckman, either individually or as president of Lever Bros., and whether in furtherance of such conspiracy

legislation was proposed which would permit importation either without tax or with a very low tax of products in competition with the dairy farmers of the United States. The committee, or any duly authorized subcommittee thereof, is directed in connection with such investigation to cause a subpoena to be served upon the said Charles Luckman for the purpose of obtaining his testimony with respect to any matters which it considers relevant thereto.

The committee shall report to the Senate at the earliest practicable date, not later than April 1, 1950, the results of its investigation, together with such recommendations as it may deem desirable.

The resolution (S. Res. 213) submitted by Mr. LANGER was referred to the Committee on the Judiciary, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a thorough investigation to determine (1) what connection, if any, Lever Bros., or any subsidiary or affiliate thereof, had with raising the price of oleomargarine any time within the last 10 years, particularly at any time when legislation to remove the tax on oleomargarine was under consideration by the Congress of the United States; (2) whether an attempt to corner the market on oleomargarine was made by or on behalf of Lever Bros. or any such subsidiary or affiliate; (3) what part, if any, Charles Luckman, as president of Lever Bros., had in any such attempt to corner the market and increase the price of oleomargarine; and (4) whether there is or has been a conspiracy on the part of the Lever Bros., its subsidiaries or affiliates, and any other concerns, to violate the antitrust laws in causing an increase in the price of oleomargarine at any time during the last 10 years, and particularly to ascertain the part played therein by Charles Luckman, either individually or as president of Lever Bros., and whether in furtherance of such conspiracy, legislation was proposed which would permit importation either without tax or with a very low tax of products in competition with the dairy farmers of the United States. The committee, or any duly authorized subcommittee thereof, is directed in connection with such investigation to cause a subpoena to be served upon the said Charles Luckman for the purpose of obtaining his testimony with respect to any matters which it considers relevant thereto.

The committee shall report to the Senate at the earliest practicable date, not later than April 1, 1950, the results of its investigation together with such recommendations as it may deem desirable.

Mr. LANGER. Mr. President, in connection with the question which we are now discussing, I desire to offer another resolution. The resolution reads as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized and directed to make a thorough investigation for the purpose of ascertaining the amount of campaign contributions made at any time during the last 10 years by or on behalf of Charles Luckman personally or by or on behalf of Lever Bros., or any of its subsidiaries or affiliates, to the Democratic or Republican National Committees, or to any State committee of the Democratic or Republican Parties, or to any individual representing the Democratic or Republican Parties. The committee, or any duly authorized subcommittee thereof, is directed in connection with such investigation to cause a subpoena to be served upon the said Charles Luckman for the purpose of obtain-

ing his testimony with respect to any matters which it considers relevant thereto.

The committee shall report to the Senate at the earliest practicable date, not later than April 1, 1950, the results of its investigation together with such recommendations as it may deem desirable.

The VICE PRESIDENT. The Chair will examine the resolution. Unless it involves an investigation as to the violation of the antitrust law, it would not automatically go to the Judiciary Committee. The Chair will take a look at it and reserve his ruling as to that.

(Subsequently, the resolution (S. Res. 214) submitted by Mr. LANGER, was referred to the Committee on Rules and Administration.)

Mr. LANGER. I may say, Mr. President, that the distinguished Senator from Pennsylvania some 3 or 4 hours ago, when he talked upon the first amendment I offered, the one dealing with antilynching, said, among other things, "I have fought consistently for civil rights." That is what was said by the distinguished Senator from Pennsylvania. Well, Mr. President, it is passing strange to me that the Democratic Party, which has been in power since January 1933, a matter of 16 years, during the overwhelming majority of which time they had a majority of 2 to 1 in the House and a majority once of 4 to 1 in the Senate, at a time when they could pass any kind of legislation they wished, never once enforced the criminal provisions of the Sherman Antitrust Act. We then had a President, elected upon the platform that he was going to enforce laws; that he was going to fight for the little man. In his speeches he said that all the big corporations were supporting the Republican Party, and so he was elected by an overwhelming vote. Sixteen years later what do we find? We find appointed as head of the Jackson-Jefferson Day dinners the head of the Oleomargarine Trust—not only a trust here in the United States but a trust so large that when the president of Lever Bros. died a short time ago in Minneapolis the Minneapolis Tribune said he represented 530 corporations scattered all over the world.

How large is this Lever Bros. corporation and its affiliates? They have a branch away over in Belgium. They have a branch in the Netherlands. They have a branch in Scandinavia. They have a branch in Finland. They have a branch in the Netherlands East Indies. They have a branch in Italy. They have a branch in Switzerland. They have a branch in Austria. They have a branch in Germany. This octopus has a branch in Czechoslovakia. It has a branch in Poland. It has a branch in Hungary. Yes, this great octopus has a branch in Yugoslavia. It has a branch in Rumania. The outfit of Charles Luckman, who is at the head of the Jackson-Jefferson Day dinners of the Democratic Party, has a branch in France. It has another branch in Denmark. It has a branch in Norway. It has a branch in the Belgian Congo. It is doing business and has a branch in Siam. It has a branch in China. It has a branch in the Republic of the Philippines. It has a branch in the Argentine.

It has a branch in Brazil. It has a branch in the United States, its headquarters being in Boston. It has a branch in Canada. It has a branch in the West Indies. It has a branch in Newfoundland. It has a branch in Ireland.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. LANGER. I refuse to yield at this time.

The VICE PRESIDENT. The Senator from North Dakota declines to yield.

Mr. LANGER. This octopus has a branch in Palestine. It has a branch in Egypt. It has a branch in British West Africa. It has a branch in the Union of South Africa. It has a branch in Pakistan. It has a branch in India. I do not know whether the general manager of this great, big octopus, who is also general manager of the Jackson-Jefferson Day dinners of the Democratic Party, the party which says it represents the poor people, is going to have these Jackson-Jefferson Day dinners in all these countries or not. I do not know whether he is going to serve oleo or butter at those banquets. But he also has a branch in Burma, a branch in Australia, a branch in the Solomon Islands, a branch in New Zealand. Another arm of this great octopus is in Chile. Another arm is in Uruguay, and another arm of the octopus is in Tunisia. Another arm is in Asia. This great corporation, the largest in the world, far larger than General Motors Corp., far larger than the United States Steel Corp., has a branch in Syria, a branch in Iraq, another branch in Iran, another branch in Morocco, another branch in the Canary Islands.

I do not know whether the Democrats will have canaries singing at the Jefferson-Jackson Day dinners, but, in any event, this great corporation has a branch in the Canary Islands. It has other branches in Gambia, Portuguese Guinea, French Guinea, Sierra Leone, and Liberia.

Mr. President, the Democratic Party is holding some Jefferson-Jackson Day dinners, and I understand they are \$100 a plate. If a man takes his wife or his sweetheart it would cost him \$200. The man in charge of all these dinners is the President of Lever Bros., the greatest oleomargarine manufacturer in the world. It produces 75 percent of all the oleomargarine sold in Great Britain, and it has branches, as I have said, all over the world. I stopped with the fifty-fourth branch. It has other branches. Wherever there are people, Mr. President, it has a branch. It has 68 branches in all, including a branch on the Gold Coast of Africa, in Nigeria, and in the Belgian Congo.

As I said when I submitted a resolution awhile ago, Mr. President, we are curious to know how it happened that this outfit raised the price of oleomargarine 23 cents a pound, at the very time, a year ago, when it was thought we would take the tax from oleomargarine. I have letters from all over the country telling me to vote to take the tax off oleomar-

garine and saying, "We are going to get it 10 cents a pound cheaper." But instead of that, the price went up until it was raised 23 cents a pound in 3 weeks. If the bill had been passed, that is what the people of the city of Washington and the people of every State in the United States would have had to pay for oleomargarine.

Mr. President, this morning the distinguished majority leader read a telegram. As a matter of fact, he read two telegrams. He said there were two great organizations which did not want the civil-rights amendment offered in connection with the oleomargarine bill. The distinguished Presiding Officer will remember that the Senator read those telegrams. I received one of those telegrams myself. Mine is signed by Roy Wilkins, acting secretary. He does not say of what he is acting secretary, so I have to read the telegram. He says:

We have just sent the following telegram to various Members of the Senate:

"On behalf of the National Association for the Advancement of Colored People we urge you to defeat the so-called civil rights amendments offered by Senator WILLIAM LANGER to H. R. 2023, the bill to repeal oleomargarine taxes. As you know, this association, since its inception 40 years ago, has worked unceasingly to win for all persons, regardless of race, religion, or color, security of person and freedom of political and economic opportunity. Senator LANGER does not intend these amendments to further the cause of civil rights. He desires only to defeat the oleomargarine tax repeal."

It is very strange how this man knows what is going on in my mind. As a matter of fact, he knows nothing about it, and I make this statement, without fear of contradiction, that WILLIAM LANGER, of North Dakota, has done more for civil rights than this man Wilkins has done during all his lifetime. I ascertained that these organizations never voted to send these telegrams at all, Mr. President. This man represents no one but himself. There are several thousand delegates in their congress, and that congress never adopted a resolution with regard to this subject, and yet Mr. Wilkins sends me a telegram.

I say, shame on Mr. Wilkins for presuming to send a telegram which he says represents the views of his organization, when, as a matter of fact, no executive committee and no membership ever authorized him to send this telegram.

Mr. President, a man came to me who represents the National Negro Council, with 2,000,000 members—Negroes from every State in the Union. He filed this statement with me:

Edgar G. Brown, director, National Negro Council, calls on Senator LUCAS, majority leader of the Senate, to demand vote on Langer civil-rights amendments and not move to table and cut off debate on these measures.

A 200-man civil-rights delegation from Illinois, and Edgar G. Brown, director of the National Negro Council, representing more than a million signers to a petition supporting the President's civil-rights program—

A million persons signed this petition, Mr. President—

supporting the President's civil-rights program, called upon Senator SCOTT W. LUCAS (Democrat, Illinois), majority leader of the

Senate, to get a vote now on the Langer civil-rights amendments to the oleo bill, pending on the floor of the Senate.

To get a vote now, Mr. President—not a year or 5 years or 10 years from now. The distinguished Senator from Florida [Mr. HOLLAND] yesterday admitted that the Democratic Party had been playing politics with all the civil-rights measures, and, for good measure, he accused the Republicans of doing likewise. I do not know what he knows about the Republican Party, but here is a leading Democrat, a man who has been governor of his State and is now Senator, admitting that the Democratic Party has been playing politics with the civil-rights issue.

So the director of the National Negro Council says they want to get a vote now. A million Negroes who signed this petition want a vote now. They want to get a vote now on the Langer civil-rights amendments to the oleo bill pending on the floor of the Senate.

The civil-rights delegation pointed out to Senator LUCAS that any motion made by him to lay the Langer civil-rights amendments on the table and any subsequent votes by any Senators to kill off any further consideration of civil rights at the very first opportunity in the second session of this Congress to vote in the Senate on civil rights would be construed and recorded as an unfriendly and destructive action, calculated only to indefinitely hold off the sincere supporters of civil rights and play into the hands of the Dixiecrat enemies of civil-rights legislation and defeat the patriotic demand of 15,000,000 Negroes, who sent 1,000,000 of their sons and daughters to fight in World War II for first-class citizenship in our American democracy.

The statement of the director of the National Negro Council continues:

The civil-rights delegation further pointed out to Senator LUCAS that in 20 years of Republican rule and 18 years of Democratic control of Congress no single antilynching bill had ever reached the voting stage in the Senate under the old two-thirds majority cloture rule or the new 64 two-thirds rule to stop filibuster by limitation of debate, in order to bring such legislation to a final vote in the Senate.

In 38 years, Mr. President, 20 years under the Republicans and 18 years under the Democrats, the antilynching bill has never been brought to a vote. No wonder a million Negroes signed the petition.

Edgar G. Brown, the spokesman, stated to the Senator from Illinois [Mr. LUCAS]:

There is the best chance in 40 years to get a vote now in the Senate by meeting this Senate parliamentary situation and the Dixiecrat filibuster tactics head on and calling for a vote on the Langer civil-rights amendments now which are the pending motion before the Senate. If the Senate leadership is seriously determined to carry out the President's demand to stay in Washington all summer if need be to pass the President's civil rights, there is no logic in the Senate leadership making a motion to lay the Langer civil-rights amendments on the table at this time. The President's civil-rights program as sponsored by Senator LANGER (Republican, North Dakota) is now the pending amendments before the Senate, and the final effort to force a vote, as the President promised the civil-rights delegation at the White House yesterday, can be fought out now by the majority leader, Senator LUCAS,

demanding a Senate vote on civil rights. It takes the same 64 two-thirds vote of the Senate membership at this time, just as it would take 64 two-thirds vote at some future date set by the Senate majority leader, Senator LUCAS, to vote on civil rights. The true friends of civil rights—

Say these million Negroes through their leader, Edgar G. Brown—

and those Senators of both parties who ever intended to actually vote for the civil-rights legislation that so often has been promised and much lip service and ballyhoo broadcast have the best opportunity to make good to the Negro people by standing up now and being counted by voting for the Langer civil-rights amendments to the oleo bill now the only business officially before the Senate of the United States. Any promise of later consideration for civil-rights action by the Senate is patently and simply another filibuster tactic, this time the resort of the vote-dodging and those secretly opposed to the civil-rights program who have been fooling the Negro people by some ramification of these tactics for the past 25 years to my personal knowledge. The record is going to be made and recorded for the Eighty-first Congress and the Senate majority leadership on the Langer civil-rights amendments. A move by Senator LUCAS to table means defeat of civil rights and all Senators voting for it know it and the voters will know it from now on.

Mr. President, I ask unanimous consent that a telegram sent to me by Roy Wilkins, acting secretary, National Association for the Advancement of Colored People, be printed in full in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., January 16, 1950.
Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We have just sent the following telegram to various Members of Senate: "On behalf of the National Association for the Advancement of Colored People we urge the defeat of the so-called civil-rights amendments offered by Senator WILLIAM LANGER to H. R. 2023, the bill to repeal oleomargarine tax. As you know this association since its inception 40 years ago has worked unceasingly to win for all persons, regardless of race, religion, or nationality security of person and freedom of political and economic opportunity. Senator LANGER does not intend for his amendments to further the cause of civil rights, he desires only to defeat the oleomargarine tax repeal. Senator LANGER made this clear in his speech on the Senate floor January 11 when he charged that the passage of H. R. 2023, 'will ruin thousands of farmers in the State of North Dakota.' Last year this association actively supported amendments to prohibit racial segregation in housing and education when respective bills were before the Senate. Racial discrimination in both of these fields is widely practiced and should be banned in all Federal aid to such programs. Lynching, poll taxes, and other civil-rights questions are not, however, germane to or involved in the repeal of the oleomargarine taxes. We therefore urge the defeat of the so-called Langer civil-rights amendments."

ROY WILKINS,
Acting Secretary.

Mr. LANGER. Mr. President, I now wish to make it very clear to the distinguished Members of the Senate why I offer these amendments at this particu-

lar time. As a friend of the Negro and a friend of the poor whites, I can only say that for 9 years, during all the time I have been a Member of the Senate, we have tried repeatedly to get a vote in the Senate on an antilynching bill, an anti-poll-tax bill, or on an FEPC measure, and it has not been done. Edgar G. Brown, whom I have just quoted, the director of the National Negro Council, says that to his own personal knowledge 25 years have passed and they have been unable to get a vote.

What did we find in 1932? We found President Roosevelt, as a candidate, talking about what? He wanted votes, so he talked about the underprivileged one-third. He talked and talked and talked. Nearly everyone believed that if the people were to make him President, and put the Democratic Party in power, one of the very first things they would do would be to pass civil-rights legislation. They were very powerful. They brought back whisky, Mr. President. They brought back the old saloon, where a young boy or girl could go and get drunk, standing up or sitting down. They brought back the saloon. They had a "must" program in Washington, and all they had to do was to call the tune. In the House they had a majority of 3 to 1, and in the Senate at one time the Republicans had only 16 Members. There were 80 Democratic Senators to 16 Republicans. Did they pass a civil-rights bill? Not one, Mr. President, not one. Talk about hypocrisy!

Four years went by, and again we heard about the underprivileged one-third, and again the Democrats were put into power. In 1940, in 1944, and in 1948 there was the same old cry, "We are for the poor people, we are for the Negro, we are for the poor whites."

Yesterday I received a pamphlet, Mr. President, sent to me from 312 Pennsylvania Avenue SE., Washington, D. C., by Dewey Anderson, executive director of the Public Affairs Institute. Again they are out fooling the Negro, or attempting to.

I said yesterday that whenever a Negro got into some organization or society and became prominent, within a short time his name was on the Democratic pay roll somewhere in the Government.

Now let us see what this new outfit is, the Public Affairs Institute. After 18 years of confessed failure, when today the Negroes are worse off than they were when Mr. Roosevelt was first elected, something new appears—the Public Affairs Institute. Who are its sponsors? John M. Carmody is one of the sponsors. For years he was on the public pay roll, drawing one of the large salaries in the Government. Here he shows up again. This time he is a sponsor or director of the Public Affairs Institute.

Another sponsor is Hugh B. Mitchell, a former Member of this body, and now a Member of the House of Representatives. But during the time he was out of office, between the time he was a Senator and the time he was a Representative, he had a Federal job. Now we find

him as a sponsor of the Public Affairs Institute.

Another sponsor is Charles A. Murray. He is on the Federal pay roll, or was a short time ago.

Another sponsor is Wendell Berge, formerly Assistant Attorney General. He was on the Federal pay roll for a long time. Do Senators know what job he had? Let me tell my distinguished friend from Georgia [Mr. GEORGE] that Mr. Berge was at the head of the Antitrust Division for 11½ long years, and finally when the Republicans came in and I became chairman of the Civil Service Committee I asked him to appear before our committee one day. I said, "Mr. Berge, how long have you been at the head of the Antitrust Division?" He said, "Eleven and a half years." I said, "Name to this committee one man you sent to jail, or one corporation that was punished for violating the antitrust laws." He could not name one. For 11½ years he had been at the head of the Antitrust Division, drawing an enormous salary. He felt so ashamed when we got through with him that he went over to the Attorney General's Office and resigned. He should have resigned 11½ years before. Now we find him as one of the sponsors of the Public Affairs Institute, trying to fool the Negroes.

Another sponsor is John M. Coffee. He has a Federal job in the State of Washington.

Clifford J. Durr is another sponsor. As I remember, he had a job on the Federal Trade Commission for a long time and drew down a large Federal salary. He has been off the Federal pay roll for a little while, and now he is a sponsor of the Public Affairs Institute trying to fool the Negro, too.

Leon Henderson is another sponsor. We all remember Leon. Here he is again. Now he is one of the sponsors of the Public Affairs Institute. Yes, they are going to save the Negro for sure this time. They did not save him in 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, or 1949. But in 1950, on January 9, 1950, they are going to start all over again, and this time they are going to save the Negroes for sure.

Then here is our old friend Maury Maverick, of Texas. I do not need to say anything about him.

Another sponsor is Culbert Olson, elected on the Democratic ticket to be Governor of California, and he made such a poor job of it that he was not reelected, and thereupon was given a Federal job. Here he is, as a sponsor of the Public Affairs Institute.

And here we find as a sponsor one of the Roosevelt boys, Jimmy Roosevelt. It always looks nice on a piece of stationery to have the name of one of the Roosevelt boys appear on it. There are three or four of them. Any one of them can be used as a sponsor whenever a sponsor is needed. Jimmy appears as a sponsor in this case. He is going to save the Negroes, just as his father was going to save them in 1933.

Then, of course, there appears the name of our old friend Aubrey Williams, who comes from Alabama. Aubrey Wil-

liams is the one who said that the farmers of North Dakota could till their farms with a unit consisting of a horse and an ox. He said a horse and an ox could pull a plow anywhere in North Dakota. He said a team would be enough for that purpose. This farm expert is now a sponsor for the Public Affairs Institute. Everyone in the State of North Dakota knows that the least number of horses needed to pull a plow is five. But Aubrey Williams under the NRA fixed the unit to pull a plow as an ox and a horse. He also limited the number of cows and chickens on the farm. While I was Governor of North Dakota I came to Washington in an endeavor to have the allotment increased, so the farmer could grow a larger crop.

Mr. President, I shall not read all the names of the sponsors. The list is a long one. I shall now read what they said in their letter to me, which represents the greatest confession of failure of the Democratic Party from 1933 up to the present time. This is what they say in their letter:

My Dear Senator—

The letter is written to me—

The startling revelation of the Joint Committee on the Economic Report on the point of the low-income families shocked us.

Mr. President, just think of it. The Democrats have been in office 18 years, and under the Democratic administration there are more than 2,000,000 employees in the Government. Some of those who are sponsors of the Public Affairs Institute were heads of departments, some of which employed more than 100,000 persons. They now for the first time find out all about these low-income families and they say they are shocked. Mr. President, I think they should be shocked. I want to show what the Democratic Party did after 18 years of rule, according to their own report. Mind you, I did not write the matter from which I am about to read. It was written by Democrats. I will read what these men who have been drawing down huge salaries say. I repeat that one of the men who is a sponsor was formerly Governor of California, Culbert Olson. He is one of those who 18 or 19 years ago told the Negroes how he was going to help them.

Mr. President, I want to make it plain again that the senior Senator from North Dakota has voted for measures which would be of help to the Negroes every time such measures have been brought before the Senate. I was one of the few Senators who would not vote for the resolution which provided that 64 Senators had to sign a petition for cloture, before action could be taken. I defy any Senator upon this floor to find one time when the senior Senator from North Dakota did not vote for measures which would be of help to the underprivileged, whether Negroes or whites.

I am sick and tired of all the hypocrisy, of all the sham which has been exhibited. There was in office as President of the United States one man for a period of 16 years. Then his successor, also a Democrat, has been in office 3 or 4 years. Yet nothing has been done for the poorer people, or less than nothing.

When Mr. Roosevelt became President, within two blocks of the Capitol there were slums which were a disgrace to humanity. Now 17 or 18 years later they are still there. The Democratic Party was going to wipe out the slums. We heard all the beautiful speeches which were made to that effect. We heard speeches which told how the poor people were suffering, how in these slums the water supply was so close to the toilets that the poor people living in the slum dwellings were drinking polluted water and becoming sick with typhoid fever. It was said that if the Democrats were put in power such water pipes would be moved away from the toilets a certain number of feet so there would not be the danger of typhoid fever any more. Yet, after 18 years, those pipes are still there. The slums still exist within two blocks of our Capitol. Oh, the Democrats are going into every country in the world, saving the people everywhere, all over, at the four corners of the earth, and yet within two blocks of our own Capitol the slums are worse than ever. That, in spite of this great Democratic Party.

This is what is said by the men I have named, Leon Henderson, Hugh B. Mitchell, John M. Carmody, Culbert Olson, James Roosevelt, and all the others of them:

The Lower Third Described and Characterized.

In other words, we still have them all. It was at one time the lower third. Now it has increased. When the Republicans were voted out of power one-third of the population was underprivileged. Now, after 18 years of Democratic rule the number has increased to 40 percent. The number has gone up instead of down. I am reading from page 13 of the pamphlet entitled "The Lower Third":

The committee's own data reveals that one-half of all families headed by persons over 64 years of age received less than \$2,000 income in 1949. More than a fourth of such families received less than \$1,000 income. Even more significant, these old-age families account for nearly one-quarter of all low-income families.

That is their own record, Mr. President. One would figure that the Democrats would be so ashamed of the situation that now exists that they would be glad to vote for a civil-rights bill submitted by the senior Senator from North Dakota. One would figure the Democrats would not have the gall to stand up on the Senate floor and move to table the civil-rights measure.

Moreover, nearly a half of all families headed by women of working age had incomes of less than \$2,000 a year.

They have the women working, Mr. President, in this great Democratic family. I continue to read:

Moreover, nearly a half of all families headed by women of working age had incomes of less than \$2,000 a year. * * * More than 700,000 of these family heads were not even in the labor force at the time of the survey.

They do not even have a job.

Now, Mr. President, let us come to the Negroes, for whom the Democratic

Party cries and cries, shedding crocodile tears. What is stated in this pamphlet about my friend the Negro, Mr. President? I read further from the pamphlet:

The Negro's position is very clear from the committee's data. Among the low-income nonfarm families headed by persons of working age in 1948, one of every five was non-white, predominantly Negro.

Mr. President, mind you, I am quoting the Democrats themselves. No Republican wrote this book. If we examine the list of sponsors, we find no Republican among them. So far as I know, there is not a Republican among them.

I read further from the committee's statement:

There are about 1,000,000 Negro families living in our cities—

Listen to this, Mr. President, and then let the Democrats hang their heads in shame—

on incomes that do not permit of anything above bare subsistence.

Mr. President, because I see the majority leader, the distinguished Senator from Illinois [Mr. LUCAS], here now, I wish to state again that the pamphlet from which I am reading is a report made by Democrats, including Leon Henderson, Jimmy Roosevelt, and all the others of a new organization, just set up, called the Public Affairs Institute. This report came off the press in January 1950. They say:

There are about 1,000,000 Negro families living in our cities on incomes that do not permit of anything above bare subsistence.

Imagine that, Mr. President. The Democrats themselves say the Negroes are in that position after 18 years of Democratic rule.

But then the Democrats in the Senate say that when a Senator tries on the floor of the Senate to secure the enactment of some legislation for the benefit of Negroes, the amendments he offers for that purpose should be tabled, when, as a matter of fact, the Democrats know that the only way to secure the enactment of such legislation is to have it enacted now, or else it never will be enacted at this session.

Mr. President, let me point out that one of the Democratic-controlled committees had one of these bills all last session, all during the first half of the present Congress. Yet that bill has not been reported as of today. How can anyone tell me that the committees will report an anti-poll-tax bill, when that bill has been tied up in committee for over a year.

Mr. President, the report from which I have been reading says that a million Negro families are on the verge of starvation. Think of that, Mr. President, after 18 years of Democratic rule.

A little while ago I saw a picture—in Life magazine, I believe—showing that in Harlem a Negro woman had to use a club to keep the rats off little children so the rats would not bite the children while they were sleeping.

This Democratic report then says:

Consider this comparison between white and colored families: In families headed by white males of working age only one out of

nine had incomes of less than \$2,000; but in similar families headed by nonwhites nearly two-fifths had incomes of less than \$2,000.

Listen to this statement; and I point out that to this Democratic committee the statement was not even sufficiently important to be printed in large black type:

The causes of differences between whites and Negroes in income, occupation, health, living standards, cultural attainment, etc., are well known and have been so adequately described in the scientific literature as to require no elaborate comment here. It is sufficient to remark that the unique factor which is added to the other causes of poverty common to all groups is denial of equal occupational opportunity to colored people.

After 18 years of Democratic rule, Mr. President, mind you, after the time when the Democrats had a majority of over 3 to 1 in the House of Representatives, and after they had, here in the Senate, 80 Senators, as compared to 16 Republican Senators, after 18 years when the Democrats could write any kind of law they wanted to write, that is the result—after 18 years of Democratic rule.

Mr. President, now, when I have offered some amendments to help the colored people, some amendments which at last give the Senate an opportunity to be heard on the subject of civil rights, we find the distinguished Democratic Senator from Arkansas moving to lay this amendment on the table. Every Democrat on the other side of the aisle but one—the distinguished Senator from Nevada [Mr. MCCARRAN]—voted to do that.

O Mr. President, they say the amendment is not germane to the bill which is before the Senate. They say, "We are considering oleomargarine." Since when, Mr. President, did oleomargarine become more important than human lives? Since when did oleomargarine become more important than little children who are dying? Let Senators look at the mortality rates in some of the slums. But the Democratic Party's members here in the Senate say, with only one member of their ranks voting against them: "We have had this matter up for 25 years. We have never gotten a vote on it, and it will not be voted on today. We will take it up some time later." That may be 1 month or 2 months or 3 months. But they simply say, "later." Of course, Mr. President, the distinguished Senator from Pennsylvania [Mr. MYERS] said this morning that later, when it is brought up, a filibuster will result. If we are going to have a filibuster, let us have it at the beginning of the session. So far as I am concerned, I am perfectly will to stay here every day and every night until we come to a conclusion on this matter which Mr. Edgar G. Brown, of Chicago, says has been pending for 25 years without ever having been voted on by the Congress.

Mr. President, the second session of the Eighty-first Congress met almost a month ago; but the anti-poll-tax bill still sleeps in committee.

I hold in my hand a copy of the Democratic platform for 1948. When the Democratic Party was looking for votes, it sang another tune. When the Democrats wanted votes from the Negroes, this

is what they said in their platform. Mr. President, to save time, I now ask unanimous consent to have the civil-rights plank of the 1948 Democratic platform printed at this point in the RECORD as a part of my remarks.

Mr. LUCAS. Mr. President, reserving the right to object, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. Will the Senator also place in the RECORD, at the same time, the Republican platform?

Mr. LANGER. No; I will let the Senator from Illinois, my friend, place it in the RECORD. I am nonpartisan. Why should I not let the Senator from Illinois place it in the RECORD?

Mr. LUCAS. I thought the Senator from North Dakota was elected on the Republican ticket.

Mr. LANGER. Mr. President, I decline to yield further.

The PRESIDING OFFICER (Mr. DOWNNEY in the chair). Is there objection to the request of the Senator from North Dakota?

Mr. LUCAS. I have no objection. The Senator from North Dakota really pays a compliment to the Democratic Party by putting that part of the Democratic platform in the RECORD.

Mr. LANGER. Mr. President, the Senator from Illinois knows that no one was more critical than I of what the Republican Party did not do in the last Congress. They pledged themselves to do this, that, and the other thing for the Negroes, but they did not do it. I stood upon this floor time after time and said so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

There being no objection, the plank referred to was ordered to be printed in the RECORD, as follows:

[From the Democratic national platform for 1948]

The Democratic Party is responsible for the great civil-rights gains made in recent years in eliminating unfair and illegal discrimination based on race, creed, or color.

The Democratic Party commits itself to continuing its efforts to eradicate all racial, religious, and economic discrimination.

We again state our belief that racial and religious minorities must have the right to live, the right to work, the right to vote, the full and equal protection of the laws, on a basis of equality with all citizens as guaranteed by the Constitution.

We highly commend President Harry S. Truman for his courageous stand on the issue of civil rights. We call upon the Congress to support our President in guaranteeing these basic and fundamental rights—

(1) The right of full and equal political participation;

(2) The right to equal opportunity of employment;

(3) The right of security of person;

(4) The right of equal treatment in the service and defense of our Nation.

Mr. LANGER. Mr. President, to satisfy my friend, the Senator from Illinois, I shall read the Republican platform of 2 years ago. I have a copy of it before me, too. The Republican Party said at that time:

Lynching or any other form of mob violence anywhere is a disgrace to any civilized

state, and we favor the prompt enactment of legislation to end this infamy.

One of the basic principles of this Republic is the equality of all individuals in their right to life, liberty, and the pursuit of happiness. This principle is enunciated in the Declaration of Independence and embodied in the Constitution of the United States; it was vindicated on the field of battle and became the cornerstone of this Republic. This right of equal opportunity to work and to advance in life—

The FEPC—

should never be limited in any individual because of race, religion, color, or country of origin. We favor the enactment and just enforcement of such Federal legislation as may be necessary to maintain this right at all times in every part of this Republic.

We favor the abolition of the poll tax as a requisite to voting.

We are opposed to the idea of racial segregation in the armed services of the United States.

Mr. President, I want to be sure that it is understood that that is the statement of the Republican Party, and that it is not confused with the statements or platforms of the Democratic Party, because they are so much alike. However, neither one of the two parties kept their promises in their platforms. But I have just read from the Republican platform of 1948.

Then, of course, the Democrats offered to help the Indians, too. But the Indians were poorer, when the Democrats got through than when they started; and today they are far, far worse off than they were 18 years ago.

But, Mr. President, I wish to say that during the Eightieth Congress the Republican Party did not have the Presidency. As everyone knows, the Republicans have not had a President since 1933. So in the last analysis, the final responsibility is upon the Democratic Party, because, as I have said, there has been a Democrat as President during all this time.

Mr. LUCAS. Mr. President, will the Senator yield for another question?

Mr. LANGER. No. I decline to yield, because I have only a short time left. I did not request the distinguished Senator to yield this morning, when he was talking, and I have so much to say about what the Democratic Party did not do, which they promised to do, that I simply do not have time to yield.

Mr. LUCAS. I thank the Senator.

Mr. LANGER. We come next to schools. I repeat this. The distinguished Senator was not present when I read the names of some of the sponsors of the Public Affairs Institute: John M. Carmody, who is a pay-roller; Hugh B. Mitchell, who was a pay-roller; Charles A. Murray who is a pay-roller; Wendell Berge, who was a pay-roller; John M. Coffee, who was a Democratic pay-roller. They are all Democrats. Clifford J. Durr, who was a Democratic pay-roller; Leon Henderson, who was a Democratic pay-roller; Maury Maverick, of Texas; Culbert Olson, of California; Jimmy Roosevelt—he is merely on it for good measure—and of course, Aubrey Williams—all sponsors of the Institute of Public Affairs. Now, after 18 years, they are going to save the Negro, and, I

imagine, the poor whites. Here is what they have to say about education:

While schooling may not correlate perfectly with the occupational achievement and income, there can be no serious doubt of the so-called money value of schools. Few, again, see the necessity of possessing more than the rudiments of knowledge in making any appreciable headway in the workaday world. For the variety of incomes that are above the average incomes and stations, special preparation in educational institutions is the essential way of broadening skills and credentials that enable the recipient to perform.

I merely want to say, Mr. President, that the Democratic Party did such a poor job in helping out nationally on the matter of education that, when World War II broke out, roughly 800,000 young boys could not even pass the educational test required to get into the Army. The Democrats made the examination very simple. They said, "Is this a ball?" and they held up a ball. They then held up a square, and they would say, "Is this a square?" Eight hundred thousand of the boys could not pass the examination to get into the Army. They could not tell a square from a ball. That may seem farfetched. Many people may think it untrue, yet that is the record as disclosed upon the floor of the Senate.

This morning I heard some Senators say I was not sincere in offering these amendments. We shall find out who is sincere. Right now, I move that the Senate consider on the first Monday in February the bill (S. 1728) to prohibit discrimination in employment because of race, color, religion, or national origin, the so-called FEPC bill.

Mr. LUCAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. I suggest the motion is out of order. There is something else pending before the Senate.

The PRESIDING OFFICER. The Chair rules that the motion is out of order at this time.

Mr. LANGER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. When will the motion be in order?

The PRESIDING OFFICER. The Chair thinks the objection goes rather to the form than to the time.

Mr. LANGER. Then I move that the Senate proceed to consider the bill (S. 1728), known as the FEPC bill, immediately.

The PRESIDING OFFICER. That motion is in order.

Mr. LUCAS. Mr. President, I move to lay the motion on the table, and I suggest the absence of a quorum.

Mr. LANGER. I did not yield for a quorum, but I yield on condition that, by unanimous consent, I do not lose the floor.

The PRESIDING OFFICER. The Chair did not understand the Senator. What was the last remark?

Mr. LANGER. I did not yield for the calling of a quorum, but I have no objection to the calling of a quorum, provided I do not lose the floor.

Mr. LUCAS. Mr. President, the Senator has already lost the floor.

Mr. LANGER. Then I ask unanimous consent that I may have it when we reconvene.

Mr. LUCAS. I object.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Millikin
Anderson	Hoey	Mundt
Benton	Holland	Murray
Bridges	Humphrey	Myers
Butler	Jenner	Neely
Cain	Johnson, Colo.	O'Connor
Capehart	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Donnell	Kefauver	Russell
Douglas	Kem	Schoeppel
Downey	Kilgore	Smith, Maine
Dworshak	Langer	Smith, N. J.
Eastland	Leahy	Sparkman
Eaton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Vandenberg
Graham	McKellar	Watkins
Green	Magnuson	Williams
Gurney	Malone	Withers
Hayden	Martin	Young
Hendrickson	Maybank	

The PRESIDING OFFICER (Mr. Downey in the chair). A quorum is present. The question is on the motion of the senior Senator from Illinois [Mr. LUCAS] to lay on the table the motion of the Senator from North Dakota [Mr. LANGER] to take up the FEPC bill, which is Calendar No. 1211.

The clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 1728) to prohibit discrimination in employment because of race, color, religion, or national origin.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

Mr. McCARRAN. Mr. President, will the Chair kindly restate the question?

The PRESIDING OFFICER. The question is on the motion of the senior Senator from Illinois [Mr. LUCAS] to lay on the table the motion of the Senator from North Dakota [Mr. LANGER] to take up the FEPC bill, which has just been stated by title.

On this question the Senator from North Dakota asks for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and several Senators voted when their names were called.

Mr. MILLIKIN. Mr. President, is a parliamentary inquiry in order?

The PRESIDING OFFICER. It is.

Mr. MILLIKIN. What is the business before the Senate?

The PRESIDING OFFICER. The Senate is voting on the motion of the Senator from Illinois to lay upon the table the motion of the Senator from North Dakota that the Senate proceed to the consideration of the FEPC bill.

Mr. MILLIKIN. Independently of what had been the pending business?

The PRESIDING OFFICER. That is correct.

Mr. TAFT. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. As I understand, if the motion of the Senator from North Dakota should prevail, it would displace the oleo bill and return it to the calendar.

The PRESIDING OFFICER. If the motion made by the Senator from North Dakota should not be laid upon the table, what the Senator has stated would be the result.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AIKEN. If the motion to lay on the table shall be defeated, then the Senate will have an opportunity to debate the motion to make the FEPC bill the pending business, and displace the oleo bill temporarily; will it not?

The PRESIDING OFFICER. The motion would be debatable at that time.

Mr. AIKEN. But if the motion to lay on the table shall prevail, then any discussion as to bringing up the FEPC bill would be out the window; would it not?

The PRESIDING OFFICER. It would not be in order.

Mr. MILLIKIN. Mr. President, if this motion should prevail, what would happen to the oleo bill? Would the Senate resume consideration of the oleo bill?

The PRESIDING OFFICER. Will the Senator restate his question?

Mr. MILLIKIN. If the motion of the Senator from Illinois should prevail, namely, to table the motion to proceed to the consideration of the FEPC bill, would the Senate then automatically go back to the oleo bill?

The PRESIDING OFFICER. The Senator from Colorado is correct.

Mr. MILLIKIN. If the motion shall not prevail, then we will go ahead with the FEPC bill, independent of the oleo bill?

The PRESIDING OFFICER. The motion to consider it would then be debatable.

Mr. MILLIKIN. Under the latter alternative, what would be the status of the oleo bill? Would that go back on the calendar, to come up on separate motion?

The PRESIDING OFFICER. The Senate would have before it the consideration of the motion of the Senator from North Dakota to make the FEPC bill the order of business. If that were agreed to, then the oleo bill would go back to the calendar.

The clerk will resume the call of the roll.

The legislative clerk resumed the call of the roll.

Mr. MCCARTHY (when his name was called). On this vote I have a pair with the junior Senator from Virginia [Mr. ROBERTSON], who is necessarily absent. If he were present and permitted to vote, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] are attending the inauguration of Hon. John S. Battle as Governor of the Commonwealth of Virginia and are therefore necessarily absent.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico

[Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Texas [Mr. CONNALLY], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Connecticut [Mr. McMAHON] are absent on important public business.

I announce further that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Connecticut [Mr. McMAHON], and the Senator from Mississippi [Mr. STENNIS] would vote "yea."

Mr. SCHOEPPPEL. I announce that the Senator from Iowa [Mr. HICKENLOOPER], who is absent by leave of the Senate, is paired with the Senator from Oregon [Mr. MORSE], who is absent on official business. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay" and the Senator from Oregon [Mr. MORSE] would vote "yea."

The Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Kansas [Mr. DARBY], and the Senator from California [Mr. KNOWLAND] are detained on official business. If present and voting, the Senator from California [Mr. KNOWLAND] and the Senator from Kansas [Mr. DARBY] would each vote "yea."

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business. If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

The result was announced—yeas 59, nays 17, as follows:

YEAS—59

Anderson	Johnson, Tex.	Neely
Benton	Johnston, S. C.	O'Connor
Bridges	Kefauver	O'Mahoney
Douglas	Kem	Pepper
Downey	Kilgore	Russell
Eastland	Leahy	Schoeppel
Ellender	Lehman	Smith, Maine
Frear	Lodge	Smith, N. J.
Fulbright	Long	Sparkman
George	Lucas	Taft
Gillette	McClellan	Taylor
Graham	McFarland	Thomas, Okla.
Green	McKellar	Thomas, Utah
Gurney	Magnuson	Tobey
Hayden	Malone	Tydings
Hill	Maybank	Vandenberg
Hoey	Millikin	Watkins
Holland	Mundt	Williams
Humphrey	Murray	Withers
Johnson, Colo.	Myers	

NAYS—17

Aiken	Dworshak	Langer
Butler	Ecton	McCarran
Cain	Ferguson	Martin
Capehart	Flanders	Thye
Cordon	Hendrickson	Young
Donnell	Jenner	

NOT VOTING—20

Brewster	Hickenlooper	Morse
Bricker	Hunt	Robertson
Byrd	Ives	Saltonstall
Chapman	Kerr	Stennis
Chavez	Knowland	Wherry
Connally	McCarthy	Wiley
Darby	McMahon	

So the motion of Mr. LUCAS to lay on the table Mr. LANGER's motion was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER] relating to the poll tax.

The amendment offered by Mr. LANGER is as follows:

On page 5, line 3, to strike out the word "This" and insert in lieu thereof "The foregoing provisions of this."

On page 5, after line 6, to add the following new sections:

"SEC. . The requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for President, Vice President, electors for President, or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and a tax upon the right or privilege of voting for said national officers.

"SEC. . It shall be unlawful for any State, municipality, or other government or governmental subdivision to prevent any person from voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, on the ground that such person has not paid a poll tax, and any such requirement shall be invalid and void insofar as it purports to disqualify any person otherwise qualified to vote in such primary or other election. No State, municipality, or other government or governmental subdivision shall levy a poll tax or any other tax on the right or privilege of voting in such primary or other election, and any such tax shall be invalid and void insofar as it purports to disqualify any person otherwise qualified from voting at such primary or other election.

"SEC. . It shall be unlawful for any State, municipality, or other government or governmental subdivision to interfere with the manner of selecting persons for national office by requiring the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, and any such requirement shall be invalid and void.

"SEC. . It shall be unlawful for any person, whether or not acting under the cover of authority of the laws of any State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives."

Mr. FULBRIGHT. Mr. President, I move to lay on the table the amendment of the Senator from North Dakota.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, may we have the amendment stated?

The VICE PRESIDENT. It is the poll-tax amendment, a rather lengthy

amendment, which has heretofore been read. Does the Senator desire to have it repeated?

Mr. MILLIKIN. I think the statement of the Vice President is sufficient.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY (when his name was called). On this vote I have a pair with the junior Senator from Virginia [Mr. ROBERTSON], who is necessarily absent. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] are attending the inauguration of Hon. John S. Battle as Governor of the Commonwealth of Virginia and are therefore necessarily absent.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public works projects in the State of New Mexico.

The Senator from Texas [Mr. CONNALLY], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Connecticut [Mr. McMAHON] are absent on important public business.

The Senator from Iowa [Mr. GILLETTE] is absent on official business.

I announce further that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Iowa [Mr. GILLETTE], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Connecticut [Mr. McMAHON], and the Senator from Mississippi [Mr. STENNIS] would vote "yea."

Mr. SCHOEPPPEL. I announce that the Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Oregon [Mr. MORSE] who is absent on official business. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay," and the Senator from Oregon [Mr. MORSE] would vote "yea."

The Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business. If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], and the Senator from Kansas [Mr. DARBY] are detained on official business.

If present and voting, the Senator from Kansas [Mr. DARBY] would vote "yea."

The result was announced—yeas 59, nays 17, as follows:

YEAS—59

Anderson	Johnson, Colo.	Murray
Benton	Johnson, Tex.	Myers
Bridges	Johnston, S. C.	Neely
Cordon	Kefauver	O'Connor
Douglas	Kem	O'Mahoney
Downey	Kilgore	Pepper
Eastland	Knowland	Russell
Ellender	Leahy	Schoeppel
Flanders	Lehman	Smith, Maine
Frear	Lodge	Smith, N. J.
Fulbright	Long	Sparkman
George	Lucas	Taft
Graham	McCarran	Taylor
Green	McClellan	Thomas, Okla.
Gurney	McFarland	Thomas, Utah
Hayden	McKellar	Tobey
Hill	Magnuson	Tydings
Hoey	Malone	Williams
Holland	Maybank	Withers
Humphrey	Millikin	

NAYS—17

Alken	Ecton	Mundt
Butler	Ferguson	Thye
Cain	Hendrickson	Vandenberg
Capehart	Jenner	Watkins
Donnell	Langer	Young
Dworshak	Martin	

NOT VOTING—20

Brewster	Gillette	Morse
Bricker	Hickenlooper	Robertson
Byrd	Hunt	Saltonstall
Chapman	Ives	Stennis
Chavez	Kerr	Wherry
Connally	McCarthy	Wiley
Darby	McMahon	

So Mr. FULBRIGHT's motion to lay on the table Mr. LANGER's amendment was agreed to.

The VICE PRESIDENT. If there be no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. BUTLER. Mr. President, there is an amendment on the table which I ask to have read. The amendment was offered by me for myself and the Senator from Wisconsin [Mr. McCARTHY]. Since I offered the amendment I have added an additional paragraph.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. . (a) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act—

(1) the tax imposed by section 1700 (a) of the Internal Revenue Code (tax on admissions);

(2) the tax imposed by section 3406 (a) (10) of such code (tax on electric light bulbs and tubes);

(3) the tax imposed by section 2400 of such code (tax on jewelry);

(4) the tax imposed by section 2401 of such code (tax on furs);

(5) the tax imposed by section 2402 of such code (tax on toilet preparations);

(6) the tax imposed by section 3465 (a) of such code (taxes on telegraph, telephone, radio, and cable facilities); and

(7) the taxes imposed by section 3469 of such code (taxes on transportation of persons, and on seating or sleeping accommodations in connection with such transportation);

shall be determined without regard to the war tax rates specified in section 1650 of such code.

(b) Effective on and after the first day of the first month which begins more than 20

days after the date of enactment of this act, section 1651 of the Internal Revenue Code (retailers' excise tax on luggage, purses, handbags, toilet cases, etc.) is hereby repealed.

(c) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 3406 (a) (4) of the Internal Revenue Code (manufacturers' excise tax on photographic apparatus) is hereby amended by striking out "25 percent" and inserting in lieu thereof "10 percent," and by striking out "15 percent" and inserting in lieu thereof "10 percent."

(d) For the purposes of section 1657 of the Internal Revenue Code (relating to floor stocks refunds on electric light bulbs) and of section 1658 of such code (relating to the application of the effective date of rate reduction in the case of telephone, telegraph, etc., services) the term "rate reduction date" means the first day of the first month which begins more than 20 days after the date of enactment of this act.

(e) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 3475 of the Internal Revenue Code (tax on transportation of property) is hereby repealed.

Mr. LUCAS. Mr. President, will the Senator from Nebraska yield so I may make a short statement?

Mr. BUTLER. I yield if I do not lose the floor thereby.

Mr. LUCAS. I assure the Senator he will not lose the floor. I simply wanted to make a statement to advise Senators that we are going to try to make disposition of this amendment before we recess. I hope Senators will not leave the floor.

Mr. BUTLER. Mr. President, the language of the amendment which has just been read is identical with that which is sometimes referred to as the Johnson of Colorado amendment, with the exception of the addition of the amendment previously offered by the Senator from Oregon [Mr. CORDON] with reference to the tax on transportation. In preparing the amendment I have made no change in the Johnson amendment with the exception of the addition of the Cordon amendment.

The changes provided by this amendment affect admissions, electric-light bulbs, furs, jewelry, luggage, toilet preparations, communications, transportation of persons, and photographic apparatus. In the case of admissions, furs, most jewelry, and toilet preparations the rate would be reduced from 20 percent to 10 percent. Watches selling at retail for not more than \$65, and alarm clocks selling for not more than \$5, which are now taxed at 10 percent, would continue to carry the 10-percent rate.

The rate on electric-light bulbs would be reduced from 20 percent down to 5 percent. The tax on transportation of persons would be reduced from 15 percent to 10 percent.

I might say in that connection that the tax on transportation is very unfair, as I found recently in making a trip to a place in United States Territory, the Virgin Islands, to visit which one must pay a tax on transportation, whereas if one buys transportation to the Bahamas, to Trinidad, or some other islands not in

American possession, but in the same area, one pays no tax.

In the case of luggage, the retailers' excise tax of 20 percent is eliminated entirely, and in its place, the manufacturers' tax of 10 percent is restored. This manufacturers' tax applies to fewer articles than does the present retailers' excise tax. For example, it does not apply to ladies' handbags but is restricted only to trunks, valises, traveling bags, suitcases, hat boxes for use by travelers, fitted toilet cases, and other travelers' luggage, and leather and imitation leather brief cases.

The tax rates on photographic equipment have been especially burdensome and have apparently sharply reduced sales and employment in that vital industry. The tax on cameras and camera equipment was particularly high—25 percent—and was imposed early in the war for the primary purpose of discouraging civilians from purchasing such equipment at a time when the national defense needed virtually the entire output of the industry. By the terms of my amendment, the present 25 percent rate on cameras and camera equipment, and the 15 percent rate on films, would both be reduced to 10 percent.

Last year when this proposal was under consideration by the committee, the revenue loss on an annual basis was computed to be about \$628,000,000. The category in which the largest single loss of revenue occurs is admissions. The admissions tax is primarily a tax on the average man when he goes to inexpensive places of amusement, such as motion picture theaters. In my judgment, this tax is particularly objectionable, since it is paid very largely by the poor man, not by the rich man.

Mr. President, I hope the Senate will not feel that my proposal is merely an attempt to load down the oleomargarine bill with amendments. This question of revising the excise-tax structure has been before us for several years now, but the Congress has never had a real chance to vote on the question. If my amendment is rejected, there is no guaranty at all, other than the statement which has just been made to us by the majority leader, that we shall have another chance to vote on excise tax reduction at this session of Congress.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. MUNDT. I should like to associate myself with the Senator from Nebraska on this amendment, in view of the fact that on April 27 of last year, I submitted an amendment very much the same as this one. I should like to solicit from the Senator from Nebraska his opinion as to whether he shares with me the fear that if we fail to enact this excise tax relief at this time, it may be the only opportunity we shall have at this session of Congress to have a clear-cut decision on whether or not to decrease the excise taxes.

Mr. BUTLER. I very definitely share that fear.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield further?

Mr. BUTLER. I yield.

Mr. MUNDT. We have heard reports emanating from the other side of the aisle that there will be an opportunity at this session of Congress to vote on excise taxes, which is an altogether different prophecy, of course, from the statement that we shall be given an opportunity to vote on these precise taxes at this session, without having attached thereto proposed new taxes or taxes in other areas.

So it seems to me that those of us in the Senate who are desirous of reducing excise taxes at this session of Congress, without increasing taxes in some other area, have this one opportunity, and this one only, that they can be assured of, to so register their views.

Mr. BUTLER. I thank the Senator, I share with him the fear that if the amendment is not adopted at this time, we shall not have an opportunity to vote on this matter again for another year, which is quite a long time.

Mr. FULBRIGHT. Mr. President, this amendment is almost identical to one incorporated in the Wiley amendment, except it includes the Cordon amendment, which was rejected by a vote of 33 to 58, as I recall, the day before yesterday.

It was discussed at considerable length, as the Senator well knows. The Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee, assured the Senate that this approach is the best one by which not to secure a reduction in the excise taxes.

I can assure the Senate, particularly those who seem to be so desirous of reducing taxes, that this amendment is not the best way of doing so.

There are many other Senators who have expressed themselves on the floor of the Senate as desiring to secure a reduction in taxes. The chairman of the Finance Committee assured us that we can later reach a vote on a bill, now on the calendar, which does involve a direct, out-and-out reduction of excise taxes. Since we have had so much discussion of it, it would seem to me to be quite proper—

Mr. TAFT. Mr. President, will the Senator withhold the motion which I assume he is about to make? I should like, if I may, to have the privilege of saying a few words on this subject.

Mr. FULBRIGHT. I shall withhold it, if I may have the understanding that I shall have the floor later to make the motion. I do not wish to lose an opportunity to make the motion.

The VICE PRESIDENT. The Senator will have to yield the floor in order for the Senator from Ohio to take it. The Chair will give consideration to the Senator from Arkansas, if he is on his feet seeking recognition.

Mr. FULBRIGHT. Very well; I yield.

Mr. TAFT. Mr. President, I have consistently voted against amendments to the oleomargarine-tax-repeal bill which I thought would in any way block the passage of the bill. However, in my opinion, there is no reason to believe that this amendment will do so, particularly in view of the fact that the bill which is the basis of this amendment was actually reported favorably to the Senate

by the Finance Committee as long ago as July 11. It has been on the calendar for 6 months. Yet the majority leadership has not seen fit to call up the bill.

If the pending bill goes to the House of Representatives with this amendment attached to it, inasmuch as the House leaders have stated that they are in favor of a reduction of excise taxes, then if they are prepared to add such a provision to another bill, that will be quite all right with me. In such case, I think the Senate can recede in the conference from this excise-tax-reduction amendment.

But it seems to me our hands are tied unless we act now. This question has been before us, and it has been before the House of Representatives. So far, the House of Representatives has refused to take action on it. Apparently the House intends to act on it only in common with a number of other provisions regarding taxation.

Mr. President, it seems to me that if we wish to request the House of Representatives to take immediate action on it, this is the best way to do so. I am not sure the House of Representatives will not accept this excise-tax-reduction amendment as a part of the oleomargarine tax-repeal bill. I am not sure that the Rules Committee of the House of Representatives will not give a rule for the consideration and adoption of the amendments as we in the Senate may adopt them to this bill, including the excise-tax reduction amendment.

But if that is not done in the House of Representatives, at least the House will have the choice of passing a separate excise-tax reduction bill and sending it to the Senate.

Mr. President, it seems to me that the industries which are affected by excise taxes will find that their sales of merchandise will practically cease from the time when it is agreed in Congress that excise taxes shall be reduced. That will be true in regard to the sale of jewelry and other articles affected by the excise taxes, because the people will wait for the cuts in excise taxes to come.

So, Mr. President, if we do not take this action today, I do not think we shall get any such excise-tax-reduction bill from the House of Representatives until July or until such time as the various industries are seriously affected.

Mr. President, I am not in favor of in any way hampering the oleo-tax-repeal bill, except as it may be delayed for perhaps a week or two in the House of Representatives while the subject matter of this amendment is fought out.

Therefore I propose to vote for the amendment to repeal the excise taxes.

Mr. GEORGE. Mr. President, I do not care to argue this question. This amendment is the one way not to secure any legislation on the reduction of excise taxes at this session of Congress.

The other day I stated to the Senate—clearly, I hope—that it is very unfair to send a bill, including an amendment of this character, to the Agricultural Committee of the House of Representatives, from which conferees would be appointed. It is very unfair to the Senate Finance Committee. It is very un-

fair to all of us who have any responsibility for the fiscal affairs of the Nation.

If this amendment is adopted as a part of this bill, the conferees will consist of a number from the Senate Finance Committee and a number from the House of Representatives Committee on Agriculture, if the bill ever gets to that point. It makes no difference whether the committee wishes to strike out these excise taxes without considering other taxes. Certainly when a responsible conference committee is called on to give consideration to the possibility of raising additional taxes, we ought to have the advice and counsel of the able men on the Ways and Means Committee of the House of Representatives who, through long years of experience, have studied tax problems.

This amendment will cost the Government more than a billion dollars. We already have a deficit \$5,500,000,000 for this fiscal year. The President in his message estimated the deficit for the next fiscal year at \$5,133,000,000.

The amendment is not the way to obtain tax reduction, Mr. President. This amendment certainly is not the way to encourage hope of securing the enactment of any legislation dealing with the repeal of the oleomargarine tax.

Therefore I hope the Senate will reject the amendment.

The items considered by the Senate Finance Committee, and which now are included in a bill on the calendar, would cost the Treasury \$670,000,000. The repeal of the tax on freight alone would cost the Treasury \$330,000,000. So the total loss under this amendment, if it should be adopted, would be at least \$1,000,000,000.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. AIKEN. Let me inquire how different is the amendment proposed by the Senator from Nebraska from the bill reported last fall by the Senator's committee?

Mr. GEORGE. In part it is the same bill, but it includes additional features, particularly as regards the freight tax. The repeal of that tax alone will cause the Treasury to lose more than \$330,000,000.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. The President did recommend last year, as I remember, that the freight tax be removed.

Mr. GEORGE. He did, but he also recommended that there be some compensatory taxes. I do not commit myself to compensatory taxes. But as a responsible Member of the Senate, viewing the fiscal status of the Government, I do commit myself to have an open mind and a fair chance to try to balance the budget and to try to begin payments on the national debt. I know this amendment is the way to defeat every intelligent effort to secure excise-tax reduction at this time. Of course, it is obvious, I think, that if it should have that effect, it would also jeopardize any action upon the oleomargarine bill.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. BUTLER. The oleo tax bill, without this amendment attached, would go to conference, with members selected from the Agricultural Committee of the House and from the Finance Committee of the Senate, in any case, would it not?

Mr. GEORGE. Yes, that is where it would go, and the Agricultural Committee certainly would claim jurisdiction in the House. We would not have the advantage of a committee of 25 men who for a long, long period of years have given study to tax problems.

Mr. BUTLER. I do not suppose the Senator can answer the question, but I wonder how the pending bill happened to miss the Ways and Means Committee in the first place?

Mr. GEORGE. For more than 45 years, legislation affecting oleomargarine has been handled by the Agricultural Committee of the House. That is why it missed it. It never has been considered a tax matter. The Senator's amendment is not really germane under any strict construction because the oleomargarine tax was imposed confessedly as a regulatory matter, and the principal burden of the oleomargarine tax lies in a license tax or occupation tax, rather than in an excise tax.

Mr. BUTLER. I should also like to ask the distinguished chairman of the Committee on Finance, whether his attitude would be a little more favorable to the proposal, if the tax on transportation, which is now included in the amendment, were eliminated? That would reduce the loss to the Treasury by \$330,000,000, the Senator says.

Mr. GEORGE. It would be better on the Treasury, but the committee has already voted on the question of the tax on freight, which, as a matter of fact, presents one of the most meritorious cases for the lifting of the tax. I am not against the lifting of the excise taxes. Many months ago I said they should be lifted. There is a bill on the calendar, very high up on the calendar, known as House bill 3905, which deals with these specific taxes, and that calendar number can be taken up on motion at any time. If it is not taken up with the agreement of the leaders on this side, I myself propose, as I have already stated, to move to take it up at some reasonably early date.

I wish first of all to have a further conference with the Ways and Means Committee of the House in the interest of greater harmony, because if there is not some cooperation between the two houses, we shall be unable to do what a great many of us desire to do, and that is to eliminate or substantially reduce many of the wartime excise taxes.

Mr. BUTLER. Mr. President, may I ask the Senator another question?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Nebraska for a question?

Mr. GEORGE. I yield.

Mr. BUTLER. The proposal would reduce the tax to 10 percent. It would cut it generally from 20 percent to 10 percent, which is perhaps as much as the Senator contemplated in the reduction of excise taxes at this period, anyway. So I do not see that it is at all out of reason. The question, when it

finally comes, is going to be whether we shall have a complete repeal, or merely a reduction in the excise tax. In this case we are only asking for about a 50 percent reduction.

Mr. GEORGE. Yes, I understand. If we want to repeal all the wartime excise taxes, it would mean a loss to the Treasury of about two billion, three hundred, or four hundred million dollars. This amendment would deplete the Treasury—that is, upon the present basis—to the extent of about one billion dollars in round figures. My position is taken not because I am opposing the removal of the taxes; but because I know, that if we take this course, we foredoom any reasonable hope of a tax-reduction program at this session of the Congress.

Mr. TAFT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. GEORGE. I yield.

Mr. TAFT. Does not the Senator think that if this question comes up independently, before we get through with the specific excise tax bill, we will have reduced these taxes by \$1,500,000,000, instead of only \$1,000,000,000, as proposed in this amendment, or \$900,000,000, or whatever the figure may be?

Mr. GEORGE. I think so.

Mr. TAFT. Does not the Senator think that, on the whole, it might be better to take this lump-sum reduction as proposed by the amendment, rather than to have it come later?

Mr. GEORGE. No. This is not a way by which any relief whatever can be had against excise taxes, and it is not the way by which the effort to obtain relief should be undertaken. We certainly ought not to preclude the taxing committee of the other House from some real consideration and participation in the matter, because there is a second step, namely, whether we are to raise additional taxes, and there also remains the question whether this is a sufficient reduction. All these matters are so intimately related that I think we ought not to proceed in this way. I do not propose to make a motion to table, but I earnestly request that the Senate proceed to vote upon the amendment as quickly as possible. I hope it will be rejected.

Mr. FULBRIGHT obtained the floor.

Mr. TOBEY. Mr. President, will the Senator yield for a minute so that I may ask the Senator from Georgia a question?

Mr. FULBRIGHT. I yield.

Mr. TOBEY. I appreciate the graciousness of both Senators in allowing me to ask a question of the Senator from Georgia. It is not germane to the present discussion, but it bears on the matter of taxes and the President's request for new taxes, and the income of the Federal Government. As the Senator knows, I have been deeply interested in the subject of bringing the tax laws into line so that the motto inscribed in imperishable granite over the Supreme Court, "Equal justice under the law," might be even more than a statement in cold stone, and instead might become a living force in our country's financial affairs. I am

referring to a bill which is in the Finance Committee of the Senate, a bill which I caused to be introduced more than a year ago, whereby a remedy may be found for a very pressing problem. Throughout the country, there are so-called charitable trusts, which are milking the honest taxpayers of hundreds of millions, if not billions, of dollars, by those who are escaping taxation by finesse. The legislation which I have introduced seeks to correct that evil. I have talked to the Senator from Georgia and also to my colleague from Colorado, and every time the question is asked, I get the answer, "It must originate in the Ways and Means Committee of the House." That sounds good to me, but in another way, when I go to the House Committee on Ways and Means, I find it difficult to get action. The question I now propound to the Senator from Georgia is this: Here is a crying need. It relates to a phony situation in the tax mechanics, whereby clever and dishonest men are evading their just share of honest taxes. How am I, a Senator from New Hampshire, who bears this matter in his heart as a real problem, going to get justice for the taxpayers of America, through either of the great committees of the House and Senate, who have these matters in charge? Will the Senator advise me in friendly intercourse and relationship, about it? Must I leave it with these committees, or should I adopt the suggestion made by the distinguished Senator from Georgia, and wait for the time when his bill (H. R. 8935) comes on the floor, which he is going to call up, and then seek to amend it with my proposed legislation here on the floor? I should rather do it through hearings, and have this matter expounded and shown up to the country at large, and acquire some good will and momentum behind it. But I am a disappointed soul, traveling around in this great vast area on Capitol Hill under a sense of frustration and getting nowhere fast. Therefore, I ask the Senator to help me out of my slough of despond, to lift me out of the miry legislative and parliamentary clay, and put my feet on a rock foundation, in order that justice may triumph over injustice.

Mr. GEORGE. I shall undertake to do so, as fast and as speedily as possible. I can assure the Senator that he would be at liberty to offer an amendment, but the problem to which he has referred is complicated. A very technical amendment would have to be drawn to do what the Senator wants to do, and not do too much. It is a highly technical and complicated problem, action on which should be based on testimony taken in hearings. However, any tax program which may come before the Senate from the House this year dealing with any technical or administrative provisions of the act would certainly be an appropriate place for the amendment which the Senator from New Hampshire desires to offer.

I may say to the Senator that at some interval in the hearing on social security—I would not want to suspend social security in midair indefinitely, because I know he will agree with me that that is an important bill, too—but at some

interval in the social-security hearing, the Finance Committee will be pleased to give the opportunity for a hearing on the bill which the Senator has introduced, because it is a bill of the technical character I have indicated, upon which a hearing should be held.

Mr. TOBEY. I thank the Senator in all sincerity, but I wonder whether the Senator is aware of one provision in my proposed legislation, which I think ought to meet with universal approval, regardless of party. It is the provision which requires all these trusts, good, bad, and indifferent, to be registered with the Department of Commerce or with the Department of the Treasury, with a statement of their assets and liabilities, a copy of the indenture under which they operate, the beneficiary, how much has been paid, and so forth. Therefore, the Department of Commerce or of the Treasury, as the case might be, could then look over the facts and figures, separate the sheep from the goats, the chaff from the wheat, and determine which are honest-to-God charitable trusts and which are not. Does the Senator feel it is advisable to have a registry of these trusts?

Mr. GEORGE. I repeat what I have said, the Senator is in a very technical and entirely complex field.

Mr. TOBEY. If I may ask this question, Does the Senator from Georgia mean by that, that the Senator from New Hampshire, by this proposed legislation, is treading upon the toes of some very sacred cows in America?

Mr. GEORGE. Oh, no; I do not at all mean that. I am saying the Senator's proposal, as he has offered it—I am now speaking very frankly—would undo so many charitable and religious trusts that I think, before the Senator was through with it, he would be asking the Finance Committee to reenact a part of the law which he might have repealed. It is therefore a subject matter which is not like an excise tax on jewelry or furs or freight bills. It is one that needs some study.

I do not speak now with official permission or information, but I may say that I think I have some ground upon which to base the statement that in the special tax message which the President himself proposes to send to the Congress, perhaps this week or perhaps next week, certain things are going to be referred to as loopholes, and both the Ways and Means Committee of the House and the Finance Committee of the Senate will be asked to close those loopholes. I am quite sure that what the Senator really has in mind, which is covered by the bill which he introduced, will be one of the indicated loopholes. I have said my information is not official, but if it is at all trustworthy, it is one of the loopholes that both committees and both Houses of Congress will be asked to close. So I think the Senator is going to have full opportunity. So far as excise taxes are concerned, as I have said, the bill is very high on the calendar, and, by motion, it could be taken up tomorrow or any other day when there is not some special order. If it is not taken up at a reasonably early date, I myself pledge the Senator that I shall make the motion,

and if I get a majority vote, the Senate will consider it.

Mr. TOBEY. Mr. President, I merely conclude with this statement, if I may: I appreciate the words of the Senator from Georgia, the distinguished leader of the great Committee on Finance, and I welcome his cooperation and help and aid and criticisms, constructive and otherwise, as I approach this matter. He has a great degree of intelligence and understanding of this complex subject. He can be a tremendous ally.

There are in the hinterlands of America 140,000,000 persons suffering great injustice. Clever lawyers are relieved of the yoke of taxation which other citizens have to bear. Every dollar which clever lawyers arrange to escape paying the rest of us have to pay, and every industry which avoids its fair share of taxation by establishing and operating charitable trusts has done its fellows throughout the country a great injustice. Common justice cries out to right this wrong.

So, Mr. President, I again refer to the United States Supreme Court Building, which cost \$9,000,000. I have looked at the motto which is engraved on it; I love it and cherish it; but let us make it a living force—"Equal justice under law." Make it true in America, so that common men can say that on Capitol Hill we mean what we say.

Mr. LUCAS. Mr. President, I desire to make a brief statement in corroboration of what the distinguished Senator from Georgia has said with respect to consideration of excise taxes at some time during this session. In the colloquy which I had a few days ago with the distinguished Senator from Vermont [Mr. Aiken], the record will show that I advised him that at some time in the near future during the second session of the present Congress, we will consider the repeal of excise taxes. I agree with the Senator from Georgia that the machinery for the repeal of those taxes should be set in action in the House of Representatives, through the Ways and Means Committee of that body. That committee has been handling such questions for many years. If that committee reports this proposed legislation and the Finance Committee of the Senate has an opportunity to consider it, we shall then have a tax bill coming to us in an orderly way in line with the Democratic processes as we understand them.

Just so surely, Mr. President, as we attach amendments to the oleomargarine bill relating to excise taxes, we are likely to get neither the repeal of the tax on oleomargarine or the repeal of any other excise taxes.

I appeal to those Senators who are vitally concerned with repealing excise taxes to vote down this amendment. I appeal to my friends on this side of the aisle, as well as those on the other side of the aisle, to remember that in the near future we shall consider in the Senate of the United States the repeal of the war-time excise taxes.

Another reason this amendment should not be adopted at this hour is that the Congress of the United States should wait for the message of the Presi-

dent of the United States upon the question of taxation. That message will be placed before the Congress in the immediate future. After it has been received we shall have an opportunity to determine from it what the Congress should do.

I appeal to my friends on both sides of the aisle to reject this amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. As to the suggestion that we pass the bill which has been referred to, which has been pending for 6 months, does not the Senator feel that it is such an unimportant bill that the House would simply ignore it, whereas, if we attach an amendment to the margarine bill the House cannot ignore it? The House must either act on the tax-repeal amendment attached to the margarine bill, or must originate a separate bill in order that we may be able to remove the excise-tax from oleomargarine.

Mr. LUCAS. Mr. President, my reply is simply this: I do not know what the President will recommend with respect to the repeal of excise taxes. Assuming he may recommend the repeal of all the wartime excise taxes, that may also be the position taken by the House of Representatives. But, so far as I am concerned, I do not want to see the job half done. If we are going to undertake the repeal of excise taxes, we should do it in a thorough and orderly manner rather than to take a bite here and a bite there and keep the housewife and the individual purchaser from buying, because the purchaser will say to himself, "Well, I shall wait, because they have taken a little off this excise tax, and I am sure they are going to take some more off, and finally they will repeal it all."

I do not think we shall stimulate the buying power of the country by repealing excise taxes in a piecemeal fashion. In other words, if we want to give to the country an orderly piece of legislation, so far as the repeal of excise taxes is concerned, we had better follow normal processes rather than to do what some Members are trying to do.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. BUTLER].

Mr. BUTLER. I ask for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. SCHOEPPPEL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. A quorum was recently declared to be present. Moreover, the roll call has begun, and one Senator has voted.

The roll call will be proceeded with.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] are attending the inauguration of Hon. John S. Battle as Governor of the Commonwealth of Virginia and are therefore necessarily absent,

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public works projects in the State of New Mexico.

The Senator from Texas [Mr. CONNALLY], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Connecticut [Mr. McMAHON] are absent on important public business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Delaware [Mr. FREAR], and the Senator from Florida [Mr. PEPPER] are absent on official business.

The Senator from Virginia [Mr. BYRD] is paired on this vote with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from New York would vote "yea."

The Senator from Kentucky [Mr. CHAPMAN] is paired on this vote with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Oregon would vote "yea."

The Senator from Texas [Mr. CONNALLY] is paired on this vote with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from Wyoming [Mr. HUNT] is paired on this vote with the Senator from Kansas [Mr. DARBY]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from Kansas would vote "yea."

The Senator from Oklahoma [Mr. KERR] is paired on this vote with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Wisconsin would vote "yea."

The Senator from Connecticut [Mr. McMAHON] is paired with the Senator from Iowa [Mr. HICKENLOOPER] on this vote. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Iowa would vote "yea."

I announce further that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Florida [Mr. PEPPER], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Mississippi [Mr. STENNIS] would vote "nay."

Mr. SCHOEPPPEL. I announce that the Senator from Iowa [Mr. HICKENLOOPER], who is absent by leave of the Senate, is paired with the Senator from Connecticut [Mr. McMAHON]. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "yea," and the Senator from Connecticut [Mr. McMAHON] would vote "nay."

The Senator from New York [Mr. IVES], who is absent by leave of the Senate, is paired with the Senator from Virginia [Mr. BYRD]. If present and voting,

the Senator from New York [Mr. IVES] would vote "yea," and the Senator from Virginia [Mr. BYRD] would vote "nay."

The Senator from Oregon [Mr. MORSE], who is absent on official business, is paired with the Senator from Kentucky [Mr. CHAPMAN]. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "yea," and the Senator from Kentucky [Mr. CHAPMAN] would vote "nay."

The Senator from Massachusetts [Mr. SALTONSTALL], who is absent on official business, is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea," and the Senator from Texas [Mr. CONNALLY] would vote "nay."

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "yea."

The Senator from Wisconsin [Mr. WILEY], who is absent on official business, is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea," and the Senator from Oklahoma [Mr. KERR] would vote "nay."

The Senator from Kansas [Mr. DARBY] is detained on official business and is paired with the Senator from Wyoming [Mr. HUNT]. If present and voting, the Senator from Kansas [Mr. DARBY] would vote "yea" and the Senator from Wyoming [Mr. HUNT] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Ohio [Mr. BRICKER] are detained on official business.

The result was announced—yeas 32, nays 43, as follows:

YEAS—32

Aiken	Hendrickson	Millikin
Butler	Jenner	Mundt
Cain	Johnson, Colo.	Schoeppel
Capehart	Kem	Smith, N. J.
Cordon	Knowland	Taft
Donnell	Langer	Thye
Dworshak	Lodge	Tobey
Ecton	McCarran	Vandenberg
Ferguson	McCarthy	Watkins
Flanders	Malone	Young
Gurney	Martin	

NAYS—43

Anderson	Humphrey	Myers
Benton	Johnson, Tex.	Neely
Bridges	Johnston, S. C.	O'Connor
Douglas	Kefauver	O'Mahoney
Downey	Kilgore	Russell
Eastland	Leahy	Smith, Maine
Ellender	Lehman	Sparkman
Fulbright	Long	Taylor
George	Lucas	Thomas, Okla.
Graham	McClellan	Thomas, Utah
Green	McFarland	Tydings
Hayden	McKellar	Williams
Hill	Magnuson	Withers
Hoey	Maybank	
Holland	Murray	

NOT VOTING—21

Brewster	Frear	Morse
Bricker	Gillette	Pepper
Byrd	Hickenlooper	Robertson
Chapman	Hunt	Saltonstall
Chavez	Ives	Stennis
Connally	Kerr	Wherry
Darby	McMahon	Wiley

So Mr. BUTLER's amendment was rejected.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment and ask to have it read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 10, it is proposed to add a new subsection, as follows:

(f) Section 402 of the Federal Food, Drug and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

"(e) If it is oleomargarine or margarine and any of the seeds, beans, nuts, copra, fats, oils, or other raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substitutes, or was otherwise unfit for food."

Mr. HUMPHREY. Mr. President, just a brief word of explanation. The amendment merely applies the pure food and drug sanitation and health code to the materials used in processing oleomargarine. It merely equalizes the sanitation and health standards between oleomargarine and butter.

The only implication of the amendment is that where at present oleo health standards are checked in the refined oil, the amendment would necessitate the checking of the sanitation standards of the raw materials, and check oleo back at the pressing mill or at the plant level, as is done in the case of butter.

Mr. TYDINGS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Maryland.

Mr. TYDINGS. May I ask if this is precisely and exactly the same sanitary test that is applied now to butter, or does it go further, or not so far?

Mr. HUMPHREY. I believe it is identical with the test applied in the case of butter. Its jurisdiction is limited. In the case of butter it goes back to the creamery, and the amendment provides that in the case of oleo the test shall go back to the processing plant, or the plant where the seed or other raw material is processed.

Mr. TYDINGS. I do not know, from the Senator's answer, whether it is precisely the same. He says he thinks it is precisely the same. I should like to have a yes or no answer, so I could judge the amendment in its relationship to what is required in the case of butter.

Mr. HUMPHREY. I said to the best of my knowledge. I do not claim to be an expert in pure food and drug administration, but the amendment applies the same standard to oleo and the raw materials entering into oleo in processing as is applied to butter as it comes on the creamery level.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Is it not a fact that both butter and oleomargarine are today subject to the Pure Food and Drug Act in the same way? The implication of the amendment is that there is something peculiarly wrong about oleomargarine. The language that is used is designed to try to induce one to think it is normally a filthy, putrid, or decomposed substance, exactly along the line of the argument of a few days ago. I have accepted two amendments which were

really designed to prevent any kind of deception.

This amendment was not submitted to the committee. I saw it only a moment ago myself. I am confident it adds nothing to the legitimate protection of the consumer. Actually, the pure food and drug law does not pursue butter back to the source from which it comes, the cow, except in those areas where there is regulation of fluid milk.

I see no reason for singling out oleomargarine at this late day to imply that there is some peculiarity about the raw material. There is no such peculiarity. I do not like to accept the amendment. We are not trying to palm off any decomposed or putrid materials. Those administering the Pure Food Act, during the past 20 years of supervision, have found 100 times as many contaminated materials in butter as in oleomargarine, and I cannot see that this is a legitimate amendment.

Mr. HUMPHREY. Let me reply to the Senator from Arkansas by saying that there is no intention of trying to say that oleo is either putrid, decomposed, or filthy, nor is there any attempt to say that of butter. This is merely an attempt, since we ask for the application of health standards to the dairy farmer, to have more rigid inspection as to oleo.

Mr. FULBRIGHT. It does not apply to butter at all, and at the present time we have the same coverage in the pure food law.

Mr. THYE. Mr. President, will my colleague yield?

Mr. HUMPHREY. I am happy to yield to my colleague.

Mr. THYE. The junior Senator from Minnesota is justified in offering this amendment, and I ask the sponsors of the oleomargarine legislation to accept the amendment, for the reason that when the oil comes from the processing plants, the gins where the cottonseed is ginned from the cotton itself, and where the oil is squeezed from the cottonseed are not under the same rigid inspection and sanitary and health requirements which a creamery making butter is required to meet.

This is an effort to give protection to the consumer of oleomargarine, knowing very well that there will be a great increase in the consumption of oleomargarine when the tax is removed. We must safeguard the public, and know that the processing plants which are engaged in processing the raw materials which eventually go into the product come under the same sanitary standards which apply to creameries.

Mr. President, for this reason the amendment of the junior Senator from Minnesota is entirely justified, and the sponsors of the bill should accept the amendment.

The VICE PRESIDENT. The Chair warns the junior Senator from Minnesota that he may yield for a question only, and not for speeches.

Mr. HUMPHREY. Mr. President, I appreciate the application of the rule by the Chair, but I call the attention of the Chair to the fact that it has not been done heretofore during the debate.

The VICE PRESIDENT. The fact that a rule is not applied when the Senate is running along in a normal situation is no reason why it should not apply late in the day when every Senator is trying to get a vote.

Mr. HUMPHREY. I assure the Chair that there is no desire for delay on my part, whether Senators are for health or sanitation or not.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New Mexico.

Mr. ANDERSON. I was not completely satisfied with the Senator's answer to the Senator from Maryland because I am quite sure there is nothing in the pure-food law to justify the statement that the same standard would apply to butter. But if so, would the Senator be willing to add the word "butter"? If the Senator would add the word "butter" to his amendment, so as to have the same implication apply to butter, I think it would improve it. There would be no discrimination if the word "butter" were added.

Mr. HUMPHREY. I am against discrimination in employment, as well as in spread.

Mr. ANDERSON. Would the Senator be willing to add the word "butter" to his amendment? I should like to see him do so, because I would not like to have the farmers think that butter is made from putrid or decomposed substances.

Mr. FULBRIGHT. I am willing to accept the amendment if the Senator will add the word "butter." Then we might add "cheese," if the Senator would like to do that.

Mr. HUMPHREY. I have before me the Federal Security Agency's notices of judgments under the Federal Food, Drug, and Cosmetic Act in pursuance of section 705 of the Food, Drug, and Cosmetic Act. The pamphlet is filled with certain cases pertaining to the dairy industry. There does not seem to be any notation in reference to the matter of the oleo industry, simply because oleo has its sanitary standards at the stage of the refined oil, when the refined oil has been fully processed, but the dairy farmer is required to meet the standards at the stage where the product comes from the farmer, at the creamery level. All we are asking for is that the processors of oleo have exactly the same requirements, placed upon them, because there is in the Pure Food and Drug Act ample law, I will say to all those who have sought the answer with reference to the butter industry, and all those familiar with the act know that to be true.

Mr. FULBRIGHT. If the Senator will agree to insert, after the words "oleomargarine or margarine," the words "or butter," we will take it to conference, and if what the Senator has stated to be the fact with regard to the law is so, I shall have no objection. I do not think the statement is quite accurate, however. If it is accurate, I have no objection if both oleomargarine and butter are included. I understand that to be the position of the Senator from Minnesota.

Mr. HUMPHREY. The Senator from Minnesota has submitted an amendment pertaining to the health standards and inspection relating to oleo and raw materials going into oleo. I will leave it to the Members of the Senate to decide whether they want to vote for such standards for the protection of the consumers and for the health of the American people. The record is replete with cases of the use of the courts and the laws of the country with respect to the dairy industry, as was testified to by the Senator from Arkansas and others. The Senator said on the Senate floor that the cases of adulteration of dairy products are some 100 times more than the cases of adulteration of oleo. The reason for the cases respecting dairy products is the rigid supervision that exists, even down to the local level, even down as far as the local dairy barns, insofar as local and State laws are concerned.

Mr. FULBRIGHT. The Senator is, I think, entirely in error in that statement. The application of the pure-food laws does not go back to the farm.

Mr. HUMPHREY. The Senator from Minnesota did not say that the application of the pure-food laws went back to the farm.

Mr. FULBRIGHT. The reason that there have not been so many cases in connection with margarine is simply that it is easier to protect margarine from contamination. There is no secret about that. That comes about by reason of the way margarine is made. It is mechanically made in a factory, and it is much easier to protect it from the ordinary kind of bacteria that gets into milk. I do not want to become involved in another argument about the relative merits of the two. The fact is that margarine is pure and easier to keep clean.

Mr. THYE. Mr. President—

Mr. FULBRIGHT. I do not want to get into an argument respecting the relative merits of the two.

I understand the Senator from Minnesota refuses to apply the language to butter.

Mr. HUMPHREY. No; I did not refuse.

Mr. FULBRIGHT. Then I shall accept the amendment, if the Senator will add the word "butter."

Mr. HUMPHREY. If my friend, the Senator from Arkansas, wishes to offer another amendment with respect to butter we will consider it on its merits, and since he is so vitally concerned about the health standards and purity standards of butter, and I am concerned about the health and purity standards of oleo, I shall offer my amendment on oleo, and be more than happy to vote, and vote intelligently, on the amendment offered by the Senator from Arkansas affecting butter.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to my colleague from Minnesota.

Mr. THYE. I wish to ask the junior Senator from Arkansas a question. Is it not true that the oils, whether they be the cottonseed oil or the soybean oil or any other bean oil, or the coconut oil that is shipped from the South Sea

islands are not subject to inspection under the Pure Food and Drug Act? Does the Senator think those oils are processed in a more sanitary manner or in a cleaner manner than the average dairy product which is handled in the creameries throughout the land? I should like to have the Senator ponder that question.

Mr. FULBRIGHT. We have talked about that for 2 weeks, and we can go on for two or more weeks discussing it.

Mr. THYE. I have seen a ginning plant. I have seen the open vats and the open spouts which convey the oil. I have seen all around such an operation flies which have followed the oil down through the open spouts to the oil vats. The oleomargarine is made from that. It may be pasteurized, it may be cooked, it may be purified by straining, but nevertheless that is a contamination the oil is subjected to when it is being processed.

Mr. HUMPHREY. Mr. President, I suggest the Senate vote on my amendment.

Mr. FULBRIGHT. Mr. President, I should like to offer an amendment to the amendment offered by the Senator from Minnesota, in paragraph (e), after the words "or margarine" to insert the words "or butter."

The VICE PRESIDENT. The question is on the amendment of the Senator from Arkansas to the amendment of the Senator from Minnesota. [Putting the question.]

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Minnesota [Mr. HUMPHREY] as amended. [Putting the question.]

The amendment, as modified, was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. AIKEN. Mr. President, I note that we may have a vote on the bill before very long. I should like to make a short statement before the vote is taken. I am very sorry that a considerable part of the press and the radio has seen fit to play up this controversy as a struggle over the tax on oleomargarine.

I am for the removal of that tax, as well as for the removal of any direct tax on food commodities, and I am sure that practically the entire dairy industry has no objection to the removal of the tax. We did, however, feel that every effort should be made so to shape this bill that there would be no possibility of imposition on the consumer, or unfair competition with the dairy interests through misrepresentation or misbranding of the product itself.

The amendment offered by the Senator from Wisconsin [Mr. WILEY] and the Senator from Iowa [Mr. GILLETTE] was intended for that purpose. However, that amendment did not prevail.

The amendment offered by the Senator from Wisconsin [Mr. MCCARTHY], which was accepted by the Senator from Arkansas [Mr. FULBRIGHT], and which I certainly hope will be kept in the bill in the conference committee, will, if effectively enforced, prevent the sale or repre-

sentation of oleomargarine as a dairy product, and provide effective penalties for the enforcement thereof. I personally think that that amendment, offered by the Senator from Wisconsin, as amended by the penalty provision which I proposed, probably gives the dairy industry as much or more protection than the Wiley-Gillette amendment would have given. I feel we have done all that law can do to prevent misrepresentation in this respect. So far as that goes, I see no reason why one cannot now vote for the bill with that amendment attached to it, as well as one could have voted for it had the Wiley-Gillette amendment been accepted. Because, after all, most of us, even those of us from the dairy States, are willing to remove the tax on oleomargarine.

I should like to say, however, that the enactment of this legislation will hurt the dairy interests somewhat. It will make competition much easier. People who do not know the difference are bound to buy oleomargarine and use it, thinking they are using butter. We may expect a decline in the price of dairy products probably within 2 or 3 months after the bill becomes law. We may expect an increase in the cost of oleomargarine to the poor people of our cities, because when yellow oleomargarine becomes the product which is generally carried in the stores, the price will be raised as near as the manufacturers and the dealers can raise it to the butter price. So far as the consumer is concerned, as was pointed out by the able junior Senator from New York [Mr. LEHMAN] the other day, the consumer in all probability is going to pay more for oleomargarine.

Yes, the dairy industry is going to be hurt somewhat. Our entire economy will be hurt somewhat. But so long as each product is sold under its true name, if not under its true colors, then we can hardly complain. If people prefer oleomargarine then they will buy it. If they prefer butter they will buy that, if they know they are getting butter.

I have referred to the argument made by the junior Senator from New York the other day that it will cost the consumers more in the future to buy oleomargarine. It has already been brought out on the floor that although the tax on colored oleo was only 10 cents a pound, when oleo was colored the average selling price was 21 cents a pound above that of the uncolored oleo.

There is a tremendous profit in the manufacture and sale of this product. This tremendous profit will enable the manufacturers of this commodity to engage in political campaigns and conduct propaganda campaigns through magazines and newspapers. While I do not think the oleo interests are concerned solely in the support of Democratic candidates, yet it is not without significance that one of the leading manufacturers in the oleo industry has recently been selected to head the Democratic campaign-fund dinners.

I should like to say a word about the riders which have been proposed to the bill. Ordinarily I am very much opposed to riders to a bill, and I will not vote

for a rider to a bill if I think there is going to be an opportunity to accomplish a worthy purpose by a direct attack through a bill which is brought to the floor of the Senate for that purpose.

So far as the repeal of the excise tax goes, I think the Senator from Illinois [Mr. LUCAS] is entirely sincere when he says he intends to get a vote on that before the end of the session. However, getting a vote on that in the Senate is one thing, and getting the repeal of the excise taxes enacted into law is something else. I seriously doubt if that will be done. The American people have lived on promises of excise-tax repeal for about 3 years now. There was an opportunity to repeal these taxes this afternoon. It was most unfortunate that the majority side of the Senate saw fit to vote almost unanimously against repeal which they profess to favor.

As to the civil-rights riders; it is now safe to say that there will be no civil-rights legislation at this session. No doubt the FEPC bill or the anti-lynching bill will be brought up, but there is no possible chance of either being enacted into law. The only chance for civil-rights legislation to be enacted at this session of Congress was lost when civil-rights amendments were defeated today.

We have to be practical about these things. Civil-rights legislation cannot be enacted by this Congress, when brought up on the floor of the Senate, where filibusters can be engaged in and where there are not 64 votes to stop such filibusters. The only chance for the enactment of civil-rights legislation at this session of the Senate is as a rider on a bill which the opponents of civil rights feel must be passed. Mr. President, the only way that civil-rights legislation will ever be enacted in this Congress, at least for many years, is simply by attaching it as a rider to legislation which the opponents of civil rights feel they must have. Therefore, any vote to attach the civil-rights bill to the oleo bill was completely justified if one believes in civil-rights legislation at all. It is most significant that the administration forces are strong for civil rights when there is no possible chance of enacting the legislation into law, but vote solidly against it when a real opportunity to enact such legislation presents itself.

The VICE PRESIDENT. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. BUTLER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, rather than to take the time of the Senate at this hour, I wish to state that I have prepared a statement relative to the bill and some of the legal complications involved in the proposed legislation upon which we are about to vote. I simply ask consent that my statement be incorporated at this point in the

RECORD, in order that the legislative history of the measure we are now considering may be more clear, so that at least the point of view of those who have supported the Wiley-Gillette amendment in the nature of a substitute will be available, to afford opportunity to the Food and Drug Administration to reconsider the regulations it has made in regard to the coloring of oleomargarine.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is perfectly amazing to me that serious consideration should be given by Senators to the fierce opposition of the oleo industry to the yellow color ban.

The truth of the matter is that in 1896, the Congress of the United States in the exercise of the only power it believed it possessed to stamp out fraudulent yellow oleo, imposed what was intended to be a prohibitory tax. Congress at that time believed yellow oleo to be fraudulent. It was and still is.

The Food and Drug Administration with respect to other foods has had an opportunity to consider whether or not the addition of an artificial color to a food is or is not deceptive.

The Food and Drug Administration has never had an opportunity to consider this question in relation to oleomargarine.

An official of the Food and Drug Administration appearing before the Finance Committee on an oleo bill in the Eightieth Congress, when asked whether Food and Drug had opposed the addition of artificial color to oleo when that agency was considering a standard of identity for oleo, stated that because Congress has preempted the field, Food and Drug had no authority to consider the question.

But, Senators, how had Congress preempted the field? It had preempted the field by defining yellow oleo in order to impose what was intended to be a suppressive tax. That is the kind of recognition which Congress gave to yellow oleo. The irony of the oleo situation is that because of that backhanded recognition, Food and Drug was powerless to consider the question of whether or not artificial color in oleo is deceptive.

What would the Food and Drug Administration have done if it had had an opportunity? I don't know, but I'm sure their determination would have been based on a most exhaustive examination of the question, as their decisions always are.

But there are many striking parallels in the food field, all pointing to a sound doctrine of food law to which every Senator must subscribe. That doctrine is:

"The purchaser of foods is guided many times in the identity of a product, by its flavor, its appearance, and its physical properties, regardless of what statements are made on the label, with respect to artificial color or flavor as the case may be; and it is one of the fundamentals of law enforcement procedure that such effects, resulting from appearances and flavors, when they are deceptive are not correctible by label declaration."

Let me review briefly for you some of the cases in which this sound principle has been applied. Some of them are court decisions, others administrative actions of Food and Drug.

The first case to which I will refer is *U. S. v. Two Bags of Poppy Seeds* (147 Fed. (2d) 123):

"This case involves the familiar poppy seeds which are widely used to decorate and flavor bread rolls and other bakery goods. The Circuit Court of Appeals for the sixth circuit had before it some British Indian poppy seeds which are naturally white but which had been artificially colored to resemble the more valuable Dutch blue and

Turkish grey seeds. The Government sought to have the food condemned because the artificially colored seeds, which were indistinguishable to the ordinary consumer from the more valuable seeds, were made to appear of greater value than they actually were. In this case the only difference between the imitation poppy seeds and the genuine was the market value. In flavor and food value they were the same. As in the case of yellow oleomargarine, the owner of the seeds claimed that the purpose of coloring the white poppy seeds was to impart 'eye appeal.' However the Court saw behind this explanation and found that artificial coloring concealed the price inferiority and made the seeds appear better or of greater value. The artificial coloring had enhanced the value of the seeds from 10 cents, the price of uncolored, to 20 cents per pound for the colored. The bags had been labeled to indicate the presence of the artificial coloring but this was no defense. A decree of condemnation was ordered to be entered."

Next, let us turn to mayonnaise. Not only is artificial color prohibited, but spices which impart a yellow color are prohibited. Listen to the finding of fact made by the Federal Security Administrator in support of his prohibition:

"In these dressings the use of turmeric or saffron is apt to deceive consumers, because the yellow color imparted by these spices causes the dressing to appear to contain more egg yolk than it actually contains. For this reason no turmeric, saffron, or any spice oil or spice extract or other seasoning or flavoring ingredient which imparts to the dressing a color simulating the color imparted by egg yolk should be included in the optional ingredients for mayonnaise or salad dressing."

In a very recent case tried before a jury in a Federal court in Camden, N. J. (*U. S. v. 88 Cases of Bireley's Orange Beverage*), Food and Drug proceeded against an orange drink which contained a small amount of orange oil and orange-juice concentrate, but which was artificially colored so as to resemble orange juice. The jury found for the Government, which had contended that the production was adulterated.

Let's look now at the definitions and standards for macaroni and noodle products. There the use of artificial color is not permitted. To support this prohibition the Administrator published this finding of fact (Finding H 27, Dec. 17, 1942; F. R. 10728):

"The use in macaroni products or egg-noodle products of artificial coloring or other colored ingredients which impart a color simulating that of an egg product is a deceptive and unfair practice that has been followed to some extent."

So sensitive to the possibility of deception was the Administrator on this subject that in fixing a standard for "vegetable macaroni products," yellow tomatoes may not be used because they would impart a color resembling eggs (Finding No. 34).

In this same group of products we find that carotene may not be added to alimentary paste for the reason that it is calculated to deceive consumers because it imparts to the finished product a color resembling that of egg.

Turning to bakery products, the Food and Drug Administration has ruled—"In our opinion, bakery products or any other food containing pumpkin which gives the appearance of having an egg content when no eggs are present, or a greater egg content than is the case, would be an adulterated article under any form of labeling."

There are many other instances which may be cited, but the policy is clear and the reason for it equally so—that the concealment by the use of artificial color of any type of damage or inferiority whether it be loss of strength, quality or commercial value constitutes adulteration.

For years internal-revenue regulation had been effective because it suppressed the sale of yellow oleo. At the time of the food and drug hearings to establish a standard for oleomargarine no yellow product was being manufactured for sale in regular commercial channels.

In recent months it has been observed that yellow oleo is being manufactured in large volume, with the very result that caused enforcement officials to prohibit the additional artificial color to the poppy seeds. The relatively valueless artificial color has enhanced the price from 6 to 30 cents a pound above the price of uncolored plus tax.

Mr. BENTON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I have released to the press explaining my reasons for supporting the oleomargarine bill, but opposing the excise tax and civil-rights riders sought to be attached thereto.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAM BENTON, OF CONNECTICUT

I intend to vote for repeal of Federal restrictions on the sale of oleomargarine. I intend to oppose all amendments which would restrict the legitimate sale of oleo through the exercise of the Federal power over interstate commerce.

I have taken this position because I am opposed to trade barriers which raise living costs or curtail production and employment in this country. I am also opposed to prohibiting the shipment of yellow oleo in interstate commerce because this opens the door to local monopolies which can jack up prices if they are not subject to competitive pressures.

In all frankness to the people of Connecticut, I should point out that repeal of present Federal taxes on oleomargarine will not guarantee Connecticut consumers cheap, colored oleo. Under the terms of this bill, restrictions imposed by State legislatures still apply. Connecticut law will continue to prohibit the sale of colored oleo in our State even if this present bill passes the Congress.

Reading my mail, I have obtained the impression that many Connecticut families are not aware of this important fact. Many of them, apparently, have been led to believe that this bill removes all oleo restrictions, both Federal and State. This is not the case. This should be completely understood. After the Federal Government acts, Connecticut must still act in line with the recommendations made by Governor Bowles.

I also intend to vote against any riders which may be brought up as a parliamentary device to kill the repeal of Federal oleo restrictions.

I favor the elimination of many wartime excise taxes which are hurting our economy and Connecticut industry in particular. I favor prompt passage of President Truman's civil-rights program and I will vote to limit debate wherever needed to accomplish that result. The freedom and unity of all people is the ultimate foundation of America's strength at home and her influence abroad. My experience in the Department of State particularly focused my interest and activities on this great area of human rights, of which the civil-rights program is an integral part. Enactment of this program will bring our practices of democracy into line with the Bill of Rights in our Constitution and with the declaration of human rights adopted by the United Nations.

Because of my strong and lifelong views on the merits of civil-rights legislation, I want to see that legislation considered promptly on its merits and pressed to enactment, I

must, however, vote against any attempt to misuse that issue by attaching civil-rights riders to the margarine bill. Such riders are not designed to expedite enactment of civil-rights legislation but rather represent a misuse of that proposed legislation for the purpose of killing the margarine bill. Such riders will delay and impede the real consideration of civil-rights legislation on its merits.

These riders should be opposed for another reason. I have always advocated and worked for efficiency in Government and efficiency in Congress. The use of riders not germane to pending legislation stultifies the legislative procedure and runs counter to every concept of efficient governmental activity. If we do not strike down such riders, the Senate would always be at the mercy of every and any parliamentary maneuver calculated to prevent forthright decisions on important questions of national policy.

I hope and believe that the fair-minded and devoted advocates of civil-rights legislation in Connecticut and throughout the Nation will understand the real issues here.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WITHERS (when his name was called). On this vote, I have a pair with the senior Senator from Kentucky [Mr. CHAPMAN], who is necessarily absent on official business. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] are attending the inauguration of Hon. John S. Battle as Governor of the Commonwealth of Virginia and are therefore necessarily absent.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Mississippi [Mr. STENNIS] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Texas [Mr. CONNALLY], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Connecticut [Mr. McMAHON] are absent on important public business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], and the Senator from Florida [Mr. PEPPER] are absent on official business.

If present and voting, the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Oklahoma [Mr. KERR], the Senator from Tennessee [Mr. KEFAUVER], the Senator

from Connecticut [Mr. McMAHON], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], and the Senator from Mississippi [Mr. STENNIS] would vote "yea."

Mr. SCHOEPEL. I announce that the Senator from Iowa [Mr. HICKENLOOPER], who is absent by leave of the Senate, is paired with the Senator from Ohio [Mr. BRICKER], who is detained on official business. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay," and the Senator from Ohio [Mr. BRICKER] would vote "yea."

The Senator from New York [Mr. IVES], who is absent by leave of the Senate, is paired with the Senator from Wisconsin [Mr. WILEY], who is absent on official business. If present and voting, the Senator from New York [Mr. IVES] would vote "yea," and the Senator from Wisconsin [Mr. WILEY] would vote "nay."

The Senator from Oregon [Mr. MORSE], who is absent on official business, is paired with the Senator from Massachusetts [Mr. SALTONSTALL], who is absent on official business. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "nay," and the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present and voting, the Senator from Nebraska [Mr. WHERRY] would vote "nay."

The Senator from Maine [Mr. BREWSTER] is detained on official business. If present and voting, the Senator from Maine [Mr. BREWSTER] would vote "yea."

The result was announced—yeas 56, nays 16, as follows:

YEAS—56

Aiken	Hill	Malone
Anderson	Hoey	Martin
Benton	Holland	Maybank
Bridges	Jenner	Millikin
Cain	Johnson, Colo.	Myers
Capehart	Johnson, Tex.	O'Connor
Darby	Johnston, S. C.	O'Mahoney
Douglas	Kem	Russell
Downey	Kilgore	Smith, Maine
Dworshak	Knowland	Smith, N. J.
Eastland	Leahy	Sparkman
Ellender	Lehman	Taft
Flanders	Lodge	Thomas, Okla.
Fulbright	Long	Tobey
George	Lucas	Tydings
Graham	McCarran	Vandenberg
Green	McClellan	Watkins
Hayden	McFarland	Williams
Hendrickson	McKellar	

NAYS—16

Butler	Humphrey	Taylor
Cordon	Langer	Thomas, Utah
Donnell	McCarthy	Thye
Eaton	Magnuson	Young
Ferguson	Mundt	
Gurney	Schoeppel	

NOT VOTING—24

Brewster	Hickenlooper	Neely
Bricker	Hunt	Pepper
Byrd	Ives	Robertson
Chapman	Kefauver	Saltonstall
Chavez	Kerr	Stennis
Connally	McMahon	Wherry
Frear	Morse	Wiley
Gillette	Murray	Withers

So the bill H. R. 2023 was passed.

Mr. GEORGE. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

Mr. GEORGE. Mr. President, I now ask unanimous consent that the bill may be printed with the amendments adopted by the Senate numbered.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF THE HATCH ACT

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of House bill 1243, Calendar No. 428, a bill to amend the Hatch Act.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 1243) to amend the Hatch Act.

REDUCTION AND REPEAL OF EXCISE TAXES

Mr. CAIN. Mr. President, I move that the Senate proceed to the consideration of House bill 3905, Calendar No. 644, to amend section 3121 of the Internal Revenue Code.

The VICE PRESIDENT. The Senate cannot adopt that motion without displacing the bill which already has been made the unfinished business.

Mr. CAIN. Mr. President, I simply wish to suggest to the Senate that it should lay aside what has become the unfinished business in favor of House bill 3905, which was reported favorably by the House of Representatives last June, and was reported to the Senate calendar on July 11 by the Finance Committee. The bill is on the subject of repealing and reducing excise taxes.

I have moved that the Senate proceed to its consideration.

The VICE PRESIDENT. The question is on agreeing to the motion.

Mr. CAIN. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. LUCAS. Mr. President, I hope the Senator from Washington will not press the motion. We have had two or three votes upon the question of excise taxes. The distinguished Senator from Georgia has assured the Senate he will call up this bill at the proper time. I have attempted to reassure the Senate, as majority leader, that we shall consider excise taxes, and, after all, what the Senator is now attempting to do is to take over the leadership of the Senate. Mr. President, if the Senate were to permit the Senator from Washington to displace the bill which is now the unfinished business, we would do violence to the orderly procedure of business. It would simply mean that the Republican Senators are taking over the leadership of the Senate. I do not think the Senator wants to do that.

Mr. CAIN. Mr. President, the junior Senator from Washington has no possible desire to quarrel or to argue with his distinguished friend, the majority leader, the Senator from Illinois [Mr. LUCAS], but the reasons why the Senate in recent hours has turned down a consideration of the excise-tax question do not apply to the consideration the Senate itself has

said it would give to the question if and when House bill 3905 was called up for consideration and action.

I argue, as I think every thoughtful Senator on the floor does, that because the House of Representatives has already taken affirmative action on H. R. 3905, and because a great standing committee of the Senate has recommended favorable action on an excise-tax reduction amendment, and because every Senator almost without exception has said, "Give us an adequate and legitimate opportunity to vote on the question and we will get rid of the excise taxes"—

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. The junior Senator from Washington, and I trust others will support him, is merely attempting to provide an opportunity for the Senate to do what it has so often said it wants to do, and in my considered opinion we could take up H. R. 3905 and pass it before the afternoon is over.

Mr. LUCAS. Mr. President, if the Senator will yield, the House of Representatives passed this bill, and it has been referred to the Finance Committee.

Mr. CAIN. Yes.

Mr. LUCAS. I believe that is not quite a correct statement of fact. I do not believe the House of Representatives has ever passed upon any excise taxes. What happened was, the Finance Committee, on the motion of the Senator from Colorado, attached an excise-tax amendment to a revenue bill which came to the Finance Committee from the House of Representatives. We reported the bill as amended. It has been on the calendar since the date the Senator suggested.

Mr. CAIN. I am very pleased the distinguished Senator from Illinois has mentioned what is obviously a fact. I said the bill, by number, had been reported favorably to the Senate by the committee.

Mr. LUCAS. Yes; but I think the Senator left the impression the House of Representatives had acted on excise taxes. It has not.

Mr. CAIN. The Senator from Illinois has established what the American people want to know, namely, that the Senate of the United States was so anxious 6 months ago, through its standing Committee on Finance, to repeal and reduce excise taxes that they added an amendment to a bill which the House sent to the Senate. In view of all the discussion about excise taxes this afternoon and in view of the repeated assertions by both Democrats and Republicans, assertions known to the average citizen of this country, that the excise taxes will be repealed or reduced at the earliest possible moment, why should we not take the advice, counsel, and leadership which has come from the Finance Committee, call the roll, and reduce the excise taxes this afternoon.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I do not have the floor.

The VICE PRESIDENT. The Senator from Washington has the floor.

Mr. CAIN. The Senator from Washington is pleased to yield for a question.

Mr. HOLLAND. Mr. President, I ask for the floor in my own right, for a brief statement. It seems to me the Senator—

The VICE PRESIDENT. The Senator cannot make a statement in the time of the Senator from Washington, except by unanimous consent.

Mr. CAIN. Mr. President, I should like to conclude a brief statement, and then I shall yield the floor, which will certainly permit the Senator from Florida and other Senators to make any observations they may care to offer.

Mr. HOLLAND. Mr. President, if the Senator will yield for a question, I should like to address a question to him at this time.

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Florida for a question?

Mr. CAIN. I am very happy to yield for a question.

Mr. HOLLAND. Does not the Senator recall that this afternoon in his argument the distinguished Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee, made quite clear that he felt the Senate should await the message of the President of the United States upon the subject of taxation before taking action on the subject of excise taxes, and that that was one of the reasons upon which the Senate predicated its action?

Mr. CAIN. I am keenly conscious of what the distinguished Senator from Georgia said. I should like to say, because I mean it, that I have a very great respect for his thoughtfulness, for his intellect, and for his considered judgments given to the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Washington yield further to the Senator from Florida?

Mr. CAIN. I will yield in a few moments if the Senator will permit me to conclude the answer as I think proper. I find it proper in this instance to differ with the Senator from Georgia, because I feel the body which represents the people of the United States, the Congress, ought to make up its mind concerning what it wants to do for a change, and do it. Six short months ago Democrats and Republicans on the Finance Committee said, "We want to repeal and reduce excise taxes." The American people want that done. We all know that the President is said to have stated that he would have had a tax measure and message before the Congress some days ago. It is not here. No one knows when it is coming. But, for one, merely as an individual Senator representing in part one sovereign State, and feeling as I do about the need of benefiting America, for a change, by getting rid of some of the war-created excise taxes, I think we as a part of the Congress ought to decide what action should be taken, rather than wait and wait and wait for a Presidential measure, the nature of which we do not know anything about, and concerning the authorship of which most of us are going to be seriously in doubt. I want to call to the attention of

the Senator from Florida and of other Senators who care to listen what the distinguished Senator from Georgia, in his role as chairman of the Finance Committee, said, and what other members of that committee agreed to in the concluding paragraph of the report which urged the passage of H. R. 3905:

The war excise-tax rates were imposed along with the excess-profits tax and heavy corporation income taxes and individual income taxes. The excess-profits tax has been repealed, and individual and corporate income taxes reduced. It is believed only fair that some reduction should be made in the war excise-tax rates, which are interfering with consumer purchasing power and are increasing the cost of doing business.

I emphasize the words, "It is believed only fair." Who wrote those words? Thirteen Senators of the United States Senate, both Democrats and Republicans. It is believed only fair that some reductions should be made in the war excise-tax rates, which are interfering—with what?

Interfering with consumer purchasing power and are increasing the cost of doing business.

Six months ago a standing committee said, "These bad things are facts today; let us get rid of them." The Senator from Washington hopes that a good many Senators, both Democrats and Republicans, will support the motion just offered by him to settle down and get rid of these taxes, now that we have been given advice by the committee to whom we look for counsel and direction, and because every Senator in the Chamber, and our gallery guests too, are as keenly conscious as are we of the desire of the American people to reduce and eliminate these taxes which have completely outworn their moral justification. The only reason we continue to have war excise taxes is that they produce dollars which we find it necessary to spend, with the greatest extravagance the world has ever known. I press my motion.

Mr. LUCAS and Mr. LODGE rose.

The VICE PRESIDENT. The Senator from Illinois.

Mr. LUCAS. Mr. President, in a few moments I shall move an executive session to consider the nomination of the Secretary of the Interior, the Honorable Oscar L. Chapman of Colorado. Before I do that, I want to say merely a word or two in reply to the distinguished Senator from Washington, who has become vocal so suddenly and so greatly interested in the repeal of the wartime excise taxes.

I do not recall that the Senator from Washington made any such motion last year, after the bill was reported from the Finance Committee by a vote of 7 to 6. It was on the calendar a long time. We had a debate upon different questions, running several days. Many bills were considered. The Senator from Washington was there, and I am sure, had he been as much interested in the repeal of the excise taxes then as he is now, he would have been trying to take the leadership away from the Democratic Party during the last session.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. LUCAS. One moment.

Mr. CAIN. I thank the Senator.

Mr. LUCAS. Mr. President, the Senator from Washington is trying to take the leadership away from the Democratic Party and set up the kind of program he thinks ought to be considered by the Senate. Mr. President, that is not done very often. It has not been done since I have been a Member of the Senate. No one that I ever recall, when the Republicans were in power 2 years ago, attempted to take over and tell the Republican majority what they should do with respect to a program.

Mr. CAIN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Washington?

Mr. LUCAS. I yield.

Mr. CAIN. I only asked that the Senator yield, in view of what he has just said. I should like to say that my degree of interest was no more keen in the latter stages of the last session of the Eighty-first Congress, than it is this afternoon. But I, along with a number of other Senators, have placed reliance on the assurances many times given that action would be taken on this question. I think it fair to state—

Mr. LUCAS. I shall not yield to the Senator for a speech.

Mr. CAIN. I am not trying to take over the leadership—

The VICE PRESIDENT. The Senator from Illinois declines to yield further.

Mr. LUCAS. Mr. President, we have had the question of excise taxes up on at least two different occasions during consideration of the margarine bill. It was rejected both times for the reason which was stated over and over again by the distinguished Senator from Georgia, the chairman of the Finance Committee. He has left the Senate for the day and is not present to argue that point. He will be here tomorrow, and, of course, wants to make an argument against this motion.

I want to say, Mr. President, that so long as I am majority leader of the Senate, the Policy Committee representing the Democratic Party in the Senate will meet and lay down certain policies which we believe are for the best interests of the country. I do not believe that any Senator on the other side of the aisle is going to make a motion such as has been made by the distinguished Senator from Washington and meet with success. I am satisfied that when all the Democratic Members realize what is attempted to be done, they will stand unanimously back of the Senator from Illinois in what he is attempting to do.

I have told Senators on the other side of the aisle, as well as my Democratic friends, that the repeal of excise taxes will be given consideration in due course. But some Senators cannot wait. There are some politics involved in the repeal of the excise taxes. It is a great political issue, and some Senators want to get on the band wagon before it has started.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. LUCAS. I am glad to yield to the distinguished Senator from Massachusetts.

Mr. LODGE. Mr. President, I should like to ask the Senator a question regarding something which is not a political issue.

Mr. LUCAS. I am glad to have my comrade do that.

Mr. LODGE. I realize the responsibility of the majority leader, and I try never to ask him a question without giving him notice. I am not trying to surprise him at all. But I have written him one or two letters and have received no reply to them, so I should like to ask him whether it will be possible, within the next week or so, to proceed to the consideration of Senate Joint Resolution 2, providing for a constitutional amendment to abolish the electoral college and to count the electoral vote in proportion to the popular vote. I understand that the majority's policy committee has decided to call up the equal-rights amendment, which is a constitutional amendment. The resolution to which I have referred is another constitutional amendment which is also on the calendar. It has been very carefully considered. The Senate is ready to vote on it, and I should like to express the hope that we can get it up at the same time the Senate takes up the equal-rights amendment.

Mr. LUCAS. In reply to my friend from Massachusetts, I want to apologize to him for not answering his letters with respect to the consideration of the measure which he has in mind and which is now pending upon the Senate Calendar. However, we have already considered in the policy committee the resolution now being discussed with the Senator from Massachusetts. I shall not give the Senator from Massachusetts definite assurance, but I believe that in due course we shall be able to take up that resolution. We have discussed it, but no decision has been reached.

I may say to the Senator that what we try to do in the majority policy committee is to arrange a schedule of bills for the Senate to consider for the next week or 10 days. As the policy committee meets practically every week, it is in a position to consider a number of measures and keep the schedule arranged in orderly fashion in advance of Senate action. I do not hold any particular brief for the Senator's resolution; neither am I opposed to it. I should like to give it more study. I think the policy committee, before we finish the session, will give that resolution the consideration which it deserves.

Mr. LODGE. I hope the measure will be taken up fairly soon, because my experience, which goes back quite a few years, has been that if we do not take up a matter of that kind during the early part of the session, it will be too late.

Mr. LUCAS. I agree with the Senator that it takes a long time to consider a measure which should be passed in 3 or 4 days. We have been debating the repeal of the oleomargarine tax for more than 2 weeks, but there is nothing we can do in the Senate, so far as concerns expediting measures of that kind. It was debated thoroughly, and most of the arguments were germane to the issue, but we took a long time, in my opinion,

81ST CONGRESS
2^D SESSION

H. R. 2023

IN THE SENATE OF THE UNITED STATES

JANUARY 18 (legislative day, JANUARY 4), 1950

Ordered to be printed with the amendments of the Senate numbered

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2301 of the Internal Revenue Code (relating
4 to the tax on oleomargarine) is repealed.

5 SEC. 2. Part I of subchapter A of chapter 27 of the
6 Internal Revenue Code (relating to the occupational tax on
7 manufacturers, wholesalers, and retailers, of oleomargarine)
8 is repealed: *Provided*, That such repeal shall not be con-
9 strued to entitle any manufacturer, wholesaler, or retailer
10 to a refund of any occupational tax heretofore paid.

11 SEC. 3. (a) The Congress hereby finds and declares that

1 the sale, or the serving in public eating places, of colored
 2 oleomargarine or colored margarine without clear identifi-
 3 cation as such or which is otherwise adulterated or mis-
 4 branded within the meaning of the Federal Food, Drug,
 5 and Cosmetic Act depresses the market in interstate com-
 6 merce for butter and for oleomargarine or margarine clearly
 7 identified and neither adulterated nor misbranded, and
 8 constitutes a burden on interstate commerce in such articles.
 9 Such burden exists, irrespective of whether such oleo-
 10 margarine or margarine originates from an interstate source
 11 or from the State in which it is sold.

12 (b) Section 301 of the Federal Food, Drug, and Cos-
 13 metic Act, as amended (21 U. S. C. 331), is amended by
 14 adding a new paragraph as follows:

15 ~~(1)“(m) The serving of colored oleomargarine or colored~~
 16 ~~margarine in violation of section 407 (b).”~~

17 “(m) *The sale or offering for sale of colored oleomar-*
 18 *garine or colored margarine, or the possession or serving*
 19 *of colored oleomargarine or colored margarine in violation*
 20 *of sections 407 (b), or 407 (c).”*

21 (c) Chapter IV of such Act, as amended (21 U. S. C.
 22 341 and the following), is amended by adding a new sec-
 23 tion as follows:

1 “COLORED OLEOMARGARINE

2 “SEC. 407. (a) Colored oleomargarine or colored mar-
3 garine which is sold in the same State or Territory in which
4 it is produced shall be subject in the same manner and to
5 the same extent to the provisions of this Act as if it had
6 been introduced in interstate commerce.

7 **(2)**“(b) *On and after July 1, 1950, no person shall sell,*
8 *or offer for sale, colored oleomargarine or colored marga-*
9 *rine unless it is manufactured, prepared, molded, shaped,*
10 *and packaged so that (1) the net weight of the contents of*
11 *the retail package shall not exceed one pound, (2) each*
12 *part or parts of the contents of such package is manufac-*
13 *tured, prepared, and molded so as to be triangular in shape.*

14 “**(3)**~~(b)~~ (c) No person shall possess in a form ready
15 for serving colored oleomargarine or colored margarine at
16 a public eating place unless **(4)**~~(1)~~ a notice that oleomar-
17 garine or margarine is served is displayed prominently and
18 conspicuously in such place and in such manner as to render
19 it likely to be read and understood by the ordinary indi-
20 vidual being served in such eating place or is printed or is
21 otherwise set forth on the menu in type or lettering not
22 smaller than that normally used to designate the serving of
23 other food **(5)**~~items; and no~~ items. No person shall serve

1 colored oleomargarine or colored margarine at a public
 2 eating place, whether or not any charge is made therefor,
 3 unless ~~(6)~~(1) each separate serving bears or is accom-
 4 panied by labeling identifying it as oleomargarine or mar-
 5 garine, or (2) ~~(7)~~such colored oleomargarine or colored
 6 margarine is molded and shaped in such manner so as to
 7 have three sides (exclusive of the ends) and no person shall
 8 serve colored oleomargarine or colored margarine at a public
 9 eating place, whether or not a charge is made therefor, unless
 10 each separate serving thereof is triangular in shape.

11 “~~(8)~~(c) (d) Colored oleomargarine or colored marga-
 12 rine when served with meals at a public eating place shall at
 13 the time of such service be exempt from the labeling require-
 14 ments of section 403 (except (a) and 403 (f)) if it com-
 15 plies with the requirements of subsection (b) of this section.

16 “~~(9)~~(d) (e) For the purpose of this section colored oleo-
 17 margarine or colored margarine is oleomargarine or mar-
 18 garine having a tint or shade containing more than one and
 19 six-tenths degrees of yellow, or of yellow and red collec-
 20 tively, but with an excess of yellow over red, measured in
 21 terms of Lovibond tintometer scale or its ~~(10)~~equivalent.”
 22 *equivalent.*

23 ~~(11)~~“(f) Section 402 of the Federal Food, Drug, and Cos-
 24 metic Act (21 U. S. C., sec. 342) is amended by adding
 25 a new subsection (e) as follows:

1 “(e) If it is oleomargarine or margarine or butter and
 2 any of the seeds, beans, nuts, copra, fats, oils, or other raw
 3 material used therein consisted in whole or in part of any
 4 filthy, putrid, or decomposed substance, or was otherwise unfit
 5 for food.’”

6 (12) SEC. 4. (a) Section 15 of the Federal Trade Com-
 7 mission Act, as amended, is amended by inserting “(1)” after
 8 the letter “(a)” in subsection (a) thereof, and by adding
 9 at the end of such subsection the following new paragraph:

10 “(2) In the case of oleomargarine or margarine an
 11 advertisement shall be deemed misleading in a material
 12 respect if in such advertisement representations are made
 13 or suggested by statement, word, grade designation, design,
 14 device, symbol, sound, or any combination thereof, that such
 15 oleomargarine or margarine is a dairy product.”

16 (b) Such section 15 is further amended by adding at
 17 the end thereof the following new subsection:

18 “(f) The term ‘oleomargarine or margarine’ includes—

19 “(1) all substances, mixtures, and compounds
 20 known as oleomargarine, margarine, oleo, or butterine;

21 “(2) all substances, mixtures, and compounds
 22 which have a consistence similar to that of butter and
 23 which contain any edible oils or fats other than milk
 24 fat if (A) made in imitation or semblance of butter,
 25 or purporting to be butter or a butter substitute, or

1 *(B) commonly used, or intended for common use, in*
 2 *place of or as a substitute for butter, or (C) churned,*
 3 *emulsified, or mixed in cream, milk, skim milk, butter-*
 4 *milk, water, or other liquid and containing moisture in*
 5 *excess of 1 per centum and commonly used, or suitable*
 6 *for common use, as a substitute for butter.”*

7 *(c) Subsection (e) of section 5 of the Federal Trade*
 8 *Commission Act is amended by adding at the end thereof*
 9 *the following new sentence: “Each separate violation of such*
 10 *an order shall be a separate offense, except that in the case*
 11 *of a violation through continuing failure or neglect to obey*
 12 *a final order of the Commission each day of continuance of*
 13 *such failure or neglect shall be deemed a separate offense.”*

14 SEC. ~~(13)~~4 5. So much of the unexpended balances of
 15 appropriations, allocations, or other funds (including funds
 16 available for the fiscal year ending June 30, 1950) for the
 17 use of the Bureau of Internal Revenue of the Treasury De-
 18 partment in the exercise of functions under the Oleomargarine
 19 Tax Act (26 U. S. C. 2300 subchapter A), as the Director
 20 of the Bureau of the Budget may determine, shall be trans-
 21 ferred to the Federal Security Agency (Food and Drug
 22 Administration) for use in the enforcement of this Act.

23 ~~(14)~~SEC. 5. This Act shall not abrogate or nullify any
 24 statute of any State or Territory now in effect or which
 25 may hereafter be enacted.

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 18 (legislative day, JANUARY 4), 1950

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desperate attempt administration forces are making to hide the facts of treachery and espionage rampant among President Truman's bureaucracy.

Let me ask this question. If it had not been for the Un-American Activities Committee of the Eightieth Congress, and my colleague, the gentleman from California [Mr. Nixon] especially, would Hiss have ever been prosecuted? The answer is "No." Any person with common sense knows that this committee, operating under threats of reprisal and red-herring propaganda, literally forced prosecution of Alger Hiss. Further than that, President Truman and the Department of Justice had access to the facts of the Hiss treachery within their knowledge and control and could have prosecuted him on actual charges of sedition or espionage over 10 years ago if they had wanted to.

No, Mr. HUBER, the administration you are trying to defend must take sole responsibility for these New Deal chickens now coming home to roost—and what a sorry-looking mess of birds they are.

REPEAL OF CERTAIN TAXES RELATING TO OLEOMARGARINE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I object.

ADJOURNMENT

Mr. COOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 51 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 1, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1172. A letter from the Chairman, Munitions Board, transmitting the semiannual report to the Congress on the stock-piling program; to the Committee on Armed Services.

1173. A letter from the Chairman, District of Columbia Armory Board, transmitting the second annual report of the District of Columbia Armory Board, pursuant to section 10, Public Law 605 of June 4, 1948; to the Committee on the District of Columbia.

1174. A letter from the vice president and comptroller, the Chesapeake & Potomac Telephone Cos., transmitting a comparative general balance sheet of the Chesapeake & Potomac Telephone Co. for the year 1949; to the Committee on the District of Columbia.

1175. A letter from the vice president and comptroller, the Chesapeake & Potomac Telephone Cos., transmitting a statement of re-

ceipts and expenditures of the Chesapeake & Potomac Telephone Co. for the year 1949; to the Committee on the District of Columbia.

1176. A letter from the president, Capital Transit Co., transmitting a report covering operations of Capital Transit Co. for the calendar year 1949, with balance sheet as of December 31, 1949; to the Committee on the District of Columbia.

1177. A letter from the Secretary of Agriculture, transmitting a draft of a bill entitled "A bill to remove certain inequities by fixing the hours of work and overtime compensation practices in the case of certain employees of the United States, and for other purposes"; to the Committee on Education and Labor.

1178. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill for the relief of Mrs. Osa J. Petty"; to the Committee on the Judiciary.

1179. A letter from the Administrator, Federal Security Agency, transmitting a report of all tort claims paid by this agency for the period January 1 through December 31, 1949; to the Committee on the Judiciary.

1180. A letter from the president, Potomac Electric Power Co., transmitting the report of the Potomac Electric Power Co. for the year ended December 31, 1949; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAGEN: Committee on Post Office and Civil Service. Part 2, minority views on H. R. 2945. A bill to readjust postal rates; without amendment (Rept. No. 1452). Ordered to be printed.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 378. A bill to amend section 25 of the Interstate Commerce Act to require certain common carriers by railroad to install and maintain communication systems and to establish and observe operating rules, regulations, and practices to promote safety of employees and travelers on railroads, and for other purposes; with an amendment (Rept. No. 1558). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 6077. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; with an amendment (Rept. No. 1569). Referred to the House Calendar.

Mr. KILDAY: Committee on Armed Services. H. R. 1151. A bill to amend the act establishing grades of certain retired non-commissioned officers; with an amendment (Rept. No. 1570). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 485. An act for the relief of Joyce Violet Angel; with an amendment (Rept. No. 1552).

Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 753. An act for the relief of Sisters Antoinette Cometti, Mary Gibin, Angela Pelosin, Emma Ghisleni, Elisabetta De Caterin, and Onorina Franzina; without amendment (Rept. No. 1553). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1166. An act for the relief of Toriko Tateuchi; without amendment (Rept. No. 1554). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1487. A bill for the relief of Lt. (SG) Giacomo Falco; with an amendment (Rept. No. 1555). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4747. A bill for the relief of Louise Ahling; without amendment (Rept. No. 1556). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 6345. A bill for the relief of Mrs. Raymond Schaffer, Jr., and Barbara Ann Schaffer; with an amendment (Rept. No. 1557). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 736. An act for the reimbursement of Puget Sound Bridge & Dredging Co.; without amendment (Rept. No. 1559). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 777. An act for the relief of Calvin D. Lynch & Son; W. Thomas Lockerman; Sudlersville Supply Co.; George C. Moore and H. A. Moore; J. McKenny Willis & Son, Inc.; Hobbs & Jarman; C. S. Thomas; and Royce R. Spring; without amendment (Rept. No. 1560). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1019. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by Carl J. Freund and Pauline H. Freund, his wife, of Seattle, Wash.; without amendment (Rept. No. 1561). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1048. An act for the relief of Saul Phillips; without amendment (Rept. No. 1562). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1088. An act for the relief of Milton Buechler; without amendment (Rept. No. 1563). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1096. An act for the relief of Abe Lincoln and Elena B. Lincoln; without amendment (Rept. No. 1564). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1353. An act for the relief of G. H. Lazarus, Jr., and Jesse F. Bewley; without amendment (Rept. No. 1565). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1534. An act for the relief of Harry Comber; without amendment (Rept. No. 1566). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1924. An act for the relief of the estate of William Walter See; without amendment

(Rept. No. 1567). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 2119. An act for the relief of the Alamo Irrigation Co.; without amendment (Rept. No. 1563). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 7055. A bill to provide uniform longevity promotional grades for the postal field service; to the Committee on Post Office and Civil Service.

By Mr. RANKIN (by request):

H. R. 7056. A bill to authorize the construction of a new post office at Baldwin, Miss.; to the Committee on Public Works.

H. R. 7057. A bill to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions; to the Committee on Veterans' Affairs.

By Mr. SASSCER:

H. R. 7058. A bill to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes; to the Committee on Armed Services.

By Mr. BYRNE of New York:

H. R. 7059. A bill to create a National Cemetery Commission for the consolidation of national cemetery activities within one civilian commission, and for other purposes; to the Committee on Public Lands.

By Mr. VINSON:

H. R. 7060. A bill to authorize the reimbursement of certain naval attachés, observers, and other officers for certain expenses incurred while on authorized missions in foreign countries; to the Committee on Armed Services.

By Mr. WAGNER:

H. R. 7061. A bill to exempt from customs duty the carillon of the Convent of the Transfiguration, Glendale, Ohio; to the Committee on Ways and Means.

By Mr. FURCOLO:

H. R. 7062. A bill to aid in the use, conservation, and development of the natural resources of the New England States and to establish the New England Resources Survey Commission; to the Committee on Public Works.

By Mr. BROOKS:

H. R. 7063. A bill to provide for a 25-percent increase in the annuities and pensions payable to railroad employees and to their survivors; to the Committee on Interstate and Foreign Commerce.

By Mr. WEICHEL:

H. J. Res. 408. Joint resolution to amend the act of October 14, 1940, as amended, giving nonprofit veterans' organizations administration of temporary veterans' housing; to the Committee on Banking and Currency.

By Mr. SMATHERS:

H. J. Res. 409. Joint resolution authorizing the President of the United States of America to proclaim February 3 of each year as Dorchester Day for the observance and commemoration of the deaths and the heroic act of Chaplains Clark V. Poling, George L. Fox,

John Patrick Washington, and Alexander D. Goode; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. Res. 455. Resolution to amend rule XIII of the House rules; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 7064. A bill for the relief of Christian & Co., Inc., of Pittsburgh, Pa.; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 7065. A bill for the relief of Kazuko Miyama Akana and Chang King Akana; to the Committee on the Judiciary.

H. R. 7066. A bill for the relief of Miss Setsuko Amano; to the Committee on the Judiciary.

H. R. 7067. A bill for the relief of Min Fujito; to the Committee on the Judiciary.

H. R. 7068. A bill for the relief of Mrs. Ben Fukunaga; to the Committee on the Judiciary.

H. R. 7069. A bill for the relief of Mrs. Ryu Dong Souk Ham; to the Committee on the Judiciary.

H. R. 7070. A bill for the relief of Kuraichi Honke; to the Committee on the Judiciary.

H. R. 7071. A bill for the relief of Mrs. Masa Iyoki; to the Committee on the Judiciary.

H. R. 7072. A bill for the relief of Mrs. Young Ja Kim; to the Committee on the Judiciary.

H. R. 7073. A bill for the relief of Koto Kogemi Kitsu and Jeannette Akemi Kitsu; to the Committee on the Judiciary.

H. R. 7074. A bill for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka; to the Committee on the Judiciary.

H. R. 7075. A bill for the relief of the wife and child of Alvin Moa; to the Committee on the Judiciary.

H. R. 7076. A bill for the relief of Mokutaro Murakami; to the Committee on the Judiciary.

H. R. 7077. A bill for the relief of Mrs. Selko Fujihara Murata; to the Committee on the Judiciary.

H. R. 7078. A bill for the relief of Mrs. Elko Yamada Nagatoshi and her son; to the Committee on the Judiciary.

H. R. 7079. A bill for the relief of Mrs. Gin Shibasaki Okafuji; to the Committee on the Judiciary.

H. R. 7080. A bill for the relief of Mrs. Aki Oseto; to the Committee on the Judiciary.

H. R. 7081. A bill for the relief of Yolchi and Uto Takara; to the Committee on the Judiciary.

H. R. 7082. A bill for the relief of Mrs. Isamu Tarasawa; to the Committee on the Judiciary.

H. R. 7083. A bill for the relief of Toriko Tateuchi; to the Committee on the Judiciary.

H. R. 7084. A bill for the relief of Yoshiko Ishii Teves; to the Committee on the Judiciary.

H. R. 7085. A bill for the relief of Sachiko Urushibara; to the Committee on the Judiciary.

H. R. 7086. A bill for the relief of Setsuji Yamashita; to the Committee on the Judiciary.

H. R. 7087. A bill for the relief of Mrs. Akiko Haneishi Yamato; to the Committee on the Judiciary.

H. R. 7088. A bill for the relief of Koichi and Setsu Yokogawa; to the Committee on the Judiciary.

H. R. 7089. A bill for the relief of Ichl Yoshioka; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 7090. A bill for the relief of Max Fischer; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 7091. A bill for the relief of John George Papailias; to the Committee on the Judiciary.

By Mr. LECOMPTE:

H. R. 7092. A bill for the relief of Mrs. Karry Wakefield; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 7093. A bill for the relief of Marie Burger and Josef Burger; to the Committee on the Judiciary.

By Mr. MURPHY:

H. R. 7094. A bill for the relief of Kazuyo Dohi; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 7095. A bill for the relief of Rosette Selina Romano, a minor; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 7096. A bill for the relief of Mrs. Maria Salome Holland; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1768. By the SPEAKER: Petition of the secretary-treasurer, Puerto Rico Free Federation of Labor, San Juan, P. R., relative to the fair labor standards amendments of 1949 and voicing the sentiments of Puerto Rican labor with respect to wages, working and social conditions; to the Committee on Education and Labor.

1769. Also, petition of Ambassador V. K. Wellington Koo, Chinese Embassy, Washington, D. C., relative to a statement signed by 221 members of the Legislative Yuan of the Republic of China relating to the war with Communist China and international Communist aggression; to the Committee on Foreign Affairs.

1770. Also, petition of C. E. Roberts and others, Miami, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1771. Also, petition of Mary Ann Anstett and others, Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1772. Also, petition of Mrs. Ellen M. Hart and others, Orlovista, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1773. Also, petition of Josie B. Gardner and others, St. Petersburg, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

PROVIDING FOR THE TAKING FROM THE SPEAKER'S TABLE OF THE BILL H. R. 2023, TO THE END THAT THE SENATE AMENDMENTS BE, AND ARE HEREBY, DISAGREED TO AND THAT THE CONFERENCE REQUESTED BY THE SENATE IS HEREBY AGREED TO

FEBRUARY 1, 1950.—Referred to the House Calendar and ordered to be printed

Mr. LYLE, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 457]

The Committee on Rules, having had under consideration House Resolution 457, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 170

81ST CONGRESS
2^D SESSION

H. RES. 457

[Report No. 1572]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1950

Mr. LYLE, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution the
2 bill (H. R. 2023) to regulate oleomargarine, to repeal cer-
3 tain taxes relating to oleomargarine, and for other purposes,
4 with the Senate amendments thereto be, and the same is
5 hereby, taken from the Speaker's table to the end that the
6 Senate amendments be, and they are hereby, disagreed to and
7 that the conference requested by the Senate on the disagree-
8 ing votes of the two Houses be, and the same is hereby,
9 agreed to.

81ST CONGRESS
2^D SESSION

H. RES. 457

[Report No. 1572]

RESOLUTION

Providing for the taking from the Speaker's table of the bill, H. R. 2023, to the end that the Senate amendments be, and are hereby, disagreed to and that the conference requested by the Senate is hereby agreed to.

By Mr. LYLE

FEBRUARY 1, 1950

Referred to the House Calendar and ordered to be printed

those great fundamental principles advocated by George Washington, Benjamin Franklin, Thomas Jefferson, and the other great leaders of the past, quit trying to amend the Constitution, and put a stop to the Supreme Court's setting it aside.

While this amendment is ostensibly directed at the large States of the North, it would more than likely bring back the chaos and confusion of the reconstruction era to the Southern States—if not to all the smaller States in the North and West.

This proposal should be buried so deep that it will never be heard of again—at least, during this generation. The country is not suffering as a result of the electoral college. But it can suffer a great deal as a result of an unwise change.

From that standpoint, as Shakespeare says, we had better—

Bear those ills we have
Than fly to others that we know not of.

OLEOMARGARINE

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 457 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Andrews	Jackson, Calif.	Potter
Bland	Kee	Redden
Bonner	Kelley, Pa.	Sabath
Bosone	Kennedy	Sadowski
Brown, Ga.	Kirwan	Scott, Hardie
Bulwinkle	Kunkel	Sikes
Byrne N. Y.	McDonough	Smathers
Celler	Mack, Wash.	Smith, Ohio
Chatham	Macy	Stigler
Chesney	Martin, Mass.	Vorys
Curtis	Meyer	Wadsworth
Gilmer	Monroney	Walsh
Gore	Morrison	White, Idaho
Granger	Murphy	Withrow
Hobbs	Patman	

The SPEAKER. On this roll call 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Richard Stokes.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances.

MOTION TO ADJOURN

Mr. MARSHALL. Mr. Speaker, I move that the House do now adjourn.
The motion was rejected.

OLEOMARGARINE

Mr. LYLE. Mr. Speaker, I yield one-half of my time to the gentleman from Illinois [Mr. ALLEN] and I yield myself such time as I may consume.

Mr. Speaker, House Resolution 457, if adopted, will send the oleomargarine bill to conference. The bill passed the House of Representatives and subsequently passed the Senate with amendments. It is now on the Speaker's table. When an effort was made to take it from the Speaker's table and send it to conference, objection was heard.

Consequently, this uncommon procedure is necessary, that is, a resolution from the Rules Committee which, if adopted, will send the bill to conference.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Mississippi.

Mr. RANKIN. Is the resolution passed by the Rules Committee?

Mr. LYLE. Yes. It originated in the Rules Committee and passed it.

The merits of this bill are not at issue at this time. It is a simple question of whether or not the House will move to take the bill from the Speaker's table and send it to conference.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from Texas [Mr. LYLE] has explained the true situation that now confronts us.

There is no need of me speaking at length. I shall be brief. As far as I am able to learn there is little opposition to the resolution. We have had the subject of oleomargarine before us for a long time. Many speeches have been given for and against the provisions contained in H. R. 2023. I see no reason for another lengthy discussion today. Let us send it to conference.

Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I recognize that this bill will be sent to conference. I felt that we should have a little time in the House to discuss the merits of the legislation before this liquidation of our great dairy industry in the United States begins. Therefore, yesterday I objected to sending the bill to conference by unanimous consent, in order to have time under the rule to discuss the legislation.

The Committee on Agriculture reported out a bill last year in the first session of the Eighty-first Congress which removed the tax from oleomargarine, but it prohibited the shipment of yellow-colored oleomargarine in interstate commerce. When the bill got to the floor it was amended, so that the legislation as it now stands and as it passed the House and Senate provides that oleomargarine

can be colored yellow in imitation of butter, but the Senate put certain restrictions in the bill.

I am not only opposed to the rule, but I am opposed to the bill. If I had my way, and we had the votes to do so, the bill would be dead from here on.

It is possible that a good many Members of the House do not appreciate the significance of the legislation proposed by the oleomargarine industry. The fight is over the color yellow. The oleomargarine industry has been permitted to perfect a synthetic product which they claim is as good as butter. By regulation of Paul V. McNutt when he was Security Administrator, the industry was permitted to churn the vegetable oil in milk, to add butter flavor, and to put vitamins in it, so that they claim it has the same vitamin content as butter. Now they want to color it yellow to make oleo look like butter, and thereby perpetrate a fraud on the American people.

There are 28 oleomargarine manufacturers in the country. They are large manufacturers, which also manufacture soap, varnish and paint, because the cottonseed oil that goes into oleomargarine can be used for either purpose. As a matter of fact, oleo can be made, I think, out of fuel oil if they run it through the proper scientific process and it can also be made out of coconut oil.

Those of us who come from the Middle West, where we are engaged in producing large quantities of milk which cannot be sold as fluid milk, must of necessity put between 60 percent to 80 percent of our milk into manufactured products. We have been shut out of the large consuming markets of the country for our milk and cream. Therefore we must take our milk, if we are to continue to produce, and put it into butter and cheese and other dairy products. Our market is being restricted for the sale of these manufactured products and dairy farmers are finding it very, very difficult to continue in dairy farming. The bottom has dropped out in dairy farming.

The milk marketing agreements which were enacted here about 10 years ago have shut us out of these large consuming areas where we could furnish them with cheaper milk if we were permitted to ship our milk and cream into those areas. Under the reciprocal trade law, the President reduced the duty on butter from 14 cents to 7 cents a pound and put a quota of 60,000,000 pounds a year which can be shipped into this country from foreign countries. That lets more cheaply produced foreign butter come into our country at a time when our Government is supporting the price of butter. It is about comparable with the potato situation. The Government is supporting the price of potatoes and during the time that we are supporting the price of potatoes we are also supporting the price for the entire Western Hemisphere and potatoes are coming into this country to the tune of over 5,000,000 bushels in the last few months from Canada. They come here and sell their potatoes a little under the support price and our Government then goes out and buys more potatoes from Maine and

other States. That is what we find has developed in the butter situation. The Government now owns over 100,000,000 pounds of butter. On top of that we are restricted out in our section by Government controls in our acreage on wheat and corn.

Most of our farmers, the dairy farmers of the country, are small farmers, operating family-size farms. They are restricted in their acreage and when they cannot go into the production of corn and wheat, of course, they cannot produce cotton and tobacco, why, they are just turned loose without any place to go. We are being liquidated out of the dairy business.

Some say this oleomargarine legislation will not hurt you. Just let me point out to you what it has already done. The per capita consumption of butter 10 years ago was 17 pounds in this country. It has now gone down to around 10 pounds per capita. Oleomargarine consumption has gone from about 2 pounds per capita up to approximately 6 pounds per capita. Oleomargarine has come in and taken the place of butter, a synthetic product, if you please, which is produced by 28 large manufacturers in the United States to the detriment of over 3,000,000 dairy farmers who are producing fluid milk for manufactured products and butter and cheese. Dairy farmers are gradually being liquidated. We have already lost over 3,000,000 dairy cows in this country because of this encroachment upon the spread market in the United States.

The only thing left for the oleo industry is the color yellow. That is what they are fighting to get here. We said that they could take any other color of the spectrum, but they say no, they want yellow to make their synthetic product look like butter. They expect, of course, to capture the market spread in the United States.

If you go up the street here right near the old House Office Building and visit the restaurants there you will find that three-fourths of those restaurants are serving yellow-colored oleomargarine today instead of butter, without any notice at all to their patrons. The patrons pay for butter. One of the proprietors of a restaurant which was serving oleomargarine, when I asked him, said that three-fourths of the restaurants in Washington today are serving yellow-colored oleomargarine, without saying anything to the patrons. The patrons pay for butter.

There are 300,000 public eating houses in the United States. The members of the National Restaurant Association told us that if the unrestricted sale of yellow oleomargarine is permitted, most of those restaurants, or at least three-quarters of them, will serve yellow-colored oleomargarine in place of butter. That further liquidates the dairy industry in the United States, because two-thirds of the milk that leaves the farms must go into butter, cheese, and other products.

I recognize it is futile for me to talk about the practical situation and how it affects so many farmers, because the Democratic Party has made this oleo legislation its No. 1 proposal to put

through the Congress. On April 1 of last year it was a fine April-fool present for the dairy farmers, the Democratic yellow oleo bill. I think if you will look up the record, you will find that the farmers of the Midwest were the ones who contributed more to the election of Harry Truman than any other group in this country. When this bill finally becomes law under the signature of President Truman, I suppose there will be great joy among the Democrats for what they have done to millions of dairy farmers. I can assure the Democratic leadership that millions of dairy farmers will not forget.

I would like to see this rule defeated in order to defeat the bill which will liquidate thousands of small dairy farmers and perpetrate a fraud upon American consumers.

The SPEAKER. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Andrews	Jackson, Calif.	Redden
Bland	Johnson	Reed, N. Y.
Blatnick	Kelley, Pa.	Ribicoff
Bonner	Keogh	Sabath
Bosone	Kirwan	Sadowski
Brown, Ga.	Kunkel	Scott, Hardie
Bulwinkle	Lesinski	Sikes
Burdick	McDonough	Simpson, Ill.
Byrne, N. Y.	Mack, Wash.	Smathers
Celler	Macy	Smith, Ohio
Chatham	Martin, Mass.	Van Zandt
Chudoff	Meyer	Vorys
Curtis	Monroney	Wadsworth
Dingell	Morrison	Walsh
Engle, Calif.	Murphy	White, Calif.
Gilmer	O'Brien, Mich.	White, Idaho
Gore	Patman	Wilson, Ind.
Hart	Plumley	Withrow
Hébert	Potter	
Hobbs	Powell	

The SPEAKER. On this roll call 368 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

OLEOMARGARINE

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, of course, like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], I realize this bill will go to conference. I realize when I am whipped. There is nothing we can do about it now. However, I am sorry that it passed the House, I am sorry that it passed the Senate, and I am still opposed to it. If I knew of anything I could do to keep it from becoming a law I would certainly do it with the greatest of pleasure, but there is nothing we can do about it now that I can see, so I shall not try to argue against letting the bill go to conference. It would be futile.

As I said on the floor of this House before, oleomargarine is made from soil-depleting crops, and butter is made from soil-conserving crops. The need for soil conservation is a vital need in the country today. I do believe in soil conservation and not soil depletion. We hear a lot of talk everywhere about soil conservation. Folks are doing very little about it. Our soil experts in the United States and in our agricultural colleges and universities tell us it would take \$1,500,000,000,000 per year to keep our soil from getting worse than it is, not to make it any better, but just to keep it as it is today.

We were generous here. Very generous. We appropriated \$285,000,000 for soil conservation to do a \$1,500,000,000,000 job. We are doing for soil conservation in 5 years what our soil experts say we should do every year. We are spreading lots of lime in the United States, but we would have to spread twice as much lime as we are spreading today in order to break even. It would take two tons of lime instead of one that we are spreading today to hold even the calcium content of our soil as good as it is. What I am trying to say is, we are removing by leeching, erosion, and crops every year twice as much lime as we are spreading. Thousands of acres of land in the United States are under the plow, which ought to be tied down by good grass sod, which is now so poor that it will have to be limed and fertilized and have a crop of sweet clover plowed down on it before it will even grow grass.

You know the oleomargarine industry is a great industry. I am not kicking about the boys from the South who want to see every use in the world made of their cottonseed oil and peanuts but they also should be concerned about their fast-vanishing soil. I want to call your attention to one thing. There is a great soap-manufacturing company in the city of New York, which is the greatest buyer in the United States of the fats and oils that come from the rendering plants where the carcasses that are picked up over the United States in every stage of decomposition are rendered. That soap company makes soap, and it also makes oleomargarine. I hope to God that they keep their troughs pointed in the right direction so some of that fat and oil which is rendered out of those half rotten carcasses does not get into the oleo. I am going to think of that every time I start to eat anything with oleo in it, wondering whether it is made of cottonseed oil and peanut oil or oil which is gotten out of these old rotten carcasses. I would like to know whether that is the case or not. I will keep thinking about it.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin [Mr. MURRAY].

CALL OF THE HOUSE

Mr. DAVIES of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] A quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Andrews	Jackson, Calif.	Redden
Bailey	Jennings	Reed, N. Y.
Barden	Johnson	Ribicoff
Bland	Kelley, Pa.	Sabath
Bosone	Keogh	Sadowski
Brown, Ga.	Kirwan	Scott, -Hardie
Bulwinkle	Kunkel	Smathers
Byrne, N. Y.	Lesinski	Smith, Ohio
Celler	Lichtenwalter	Smith, Va.
Chatham	McDonough	Thomas
Chudoff	McMillen, Ill.	Van Zandt
Curtis	Mack, Wash.	Vinson
Dawson	Macy	Vorys
Dingell	Martin, Mass.	Wadsworth
Gilmer	Meyer	Walsh
Gore	Monroney	Welch
Hand	Morrison	White, Idaho
Hare	Murdock	Willis
Harris	Murphy	Wilson, Ind.
Hart	Patman	Withrow
Hébert	Potter	
Hobbs	Preston	

The SPEAKER. On this roll call 363 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

OLEOMARGARINE

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Speaker, to start off with, I wish to assure my colleagues that I had nothing to do with this quorum call or any other quorum call this morning.

I have gone through all this battle in the last 2 or 3 years on this oleo bill. I have tried to stick to the facts. I have tried not to be personal with anyone. And, I am sure that, so far as I am concerned, I am just as good a friend of my distinguished colleague the gentleman from Texas [Mr. POAGE] as the day the controversy started. This is not a personal matter, nor is this a sectional question. During all this time I have tried to approach the problem from, first, a scientific angle. I do not care who the man is in the Department of Agriculture or out. There is not a living soul that can say that through experiment it was ever proven that oleo is equal to butter. No one has ever tried to prove it except by using some phony experiment.

The second is from the nutritional angle. With all this new discovery in the last year or two that we have heard about, amino acids, that the doctors are talking to us about, I wonder how many people realize that these dairy products are one of the greatest sources of amino acids?

Then of course we have the economic question, that is always involved. Surely you can sell this oleo cheaper so long as we have a huge subsidy on vegetable oils. No one has disputed the fact that the oil ingredients of oleo have somewhere between 40 and 50 cents a pound subsidy. No one will dispute that. I cannot tell you exactly what it is, but there

is no Member here or no one in the Department of Agriculture or no one in the United States who can say that these vegetable oils are not most heavily subsidized. This subsidy is from 10 to 50 cents a pound. Skim milk is provided the oleo manufacturer at less than one-half its relative value.

The newspapers that holler to high heaven about the subsidy programs and how much they cost are the same ones that have been supporting the production and use of this highly subsidized oleo. This applies even to as reliable a paper as the Christian Science Monitor. It is amusing to me to read some of the articles that have been in that great paper.

I do not want to say that we have an antilivestock position in our present Department of Agriculture. I would rather say it in a kinder way, that they have a pro-vegetable-oil complex. If the Agriculture Department had any great interest in the dairy industry, you would not have to have 60-cent butter and 12-cent dry skim milk, set up the way they have worked it out.

I ask unanimous consent, Mr. Speaker, in connection with my remarks here today to include a letter from the University of Illinois showing the relationship of the value of dry skim milk to butterfat.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

UNIVERSITY OF ILLINOIS,
COLLEGE OF AGRICULTURE,
AGRICULTURAL EXPERIMENT STATION,
Urbana, Ill., October 24, 1949.
Hon. REID F. MURRAY,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE MURRAY: Dean Rusk has asked that I send you my views on the question raised in your letter of October 10.

Your stand on the relative value of milk fat and the nonfat solids in fluid milk has considerable merit. Because of its superior flavor, greater ease of concentrating, and wider use, a higher market value has always existed on butterfat than upon the milk solids, not fat. Milk in early times was produced primarily for the cream that could be separated from it. The skim-milk portion was considered a byproduct and was often used for feeding livestock. In more recent times the existence of seasonal and sectional surpluses of milk has had a tendency to perpetuate this early conception of the relative value of the two classes of milk solids, fat and nonfat.

However, the results obtained by modern research workers, particularly those in the field of nutrition, have brought about a somewhat different conception of the relative value of milk fat and milk solids, not fat. Nutritionists now place much more emphasis upon the value of that portion of the milk that lies below the cream layer. The proteins of milk are of excellent biological value. The minerals needed for normal development of the body are more satisfactorily supplied by milk than by dietary calcium. Some of the more important vitamins of milk are water soluble and therefore are associated with the skim-milk portion.

The relative physiological fuel values of the fat and nonfat solids in milk can be calculated readily. For example, in 100 grams of 4-percent milk the fat present would supply 36 calories and the nonfat solids would supply about 33.5 calories. In other words, the

fat and nonfat solids of average milk are approximately of equal value from a physiological fuel-value point of view.

A few years ago research workers at your own Institution (University of Wisconsin) proposed a method for paying for milk which gave consideration to the percentage of nonfat solids present. One possible reason why such a proposal would not be widely accepted is the lack of a rapid, accurate method for measuring the nonfat solids present in milk.

The price-support plans of the Government were no doubt based upon the going price of butter and powder at the time they were put into effect. The price of these two products in turn is largely based upon the market's conception as to what the consumer will pay for them, coupled with the supply available. The supply of dried milk available depends in part upon how much surplus milk is being diverted into that channel. If the demand for milk for bottling, for ice cream, cheese, or evaporated falls off, more milk is separated for drying and more fat is available for churning. The market price of milk solids, not fat, whether these solids be in the form of sweetened condensed milk, concentrated skim milk, or dried milk, is set pretty largely by the extent to which the supply of these solids exceeds demand during the flush season. Buyers will lay in a supply at that time to take care of their needs for the period that lies ahead.

One important factor that tends to keep the price of milk solids, not fat, from coming closer to that of butter is the fact that they are competitive with other products as far as the food industry is concerned. In other words, the price must be kept low enough that dry milk can compete favorably with solids from vegetable sources.

Most food manufacturers who use dry-milk solids are operating on a rather narrow margin. If the price of dry milk were to be raised to a level nearer that of butter, many of these people would discontinue the use of dried milk. A considerable number of bakers, for example, use dry milk in their doughs. If the price of powder were to be raised to, we will say, 18 cents, many bakers would discontinue its use, even though the price of butter were dropped 5 cents, since bakers use very little butter in their products.

Therefore, it seems that, although the nutritionist can prove there should be less difference in the market price for the fat and nonfat solids contained in milk, the dictates of industry are otherwise. Unless the demand for milk solids, not fat, can be greatly increased over what it is today, the relative market prices of powder and butter will not likely change. If the price of powder is raised beyond what the industrial user thinks is a fair price, he will either discontinue its use or shift to cheaper competitive products.

Please advise if I can be of further service to you in this matter.

Yours very truly,

P. H. TRACY,
Professor, Dairy Technology.

Mr. MURRAY of Wisconsin. The Agriculture Department provided 60 cents support on butter and 12 cents on dried skim milk. If you read this letter, and they are not my words, you will see that the relationship is wrong. There is no reason in the world why the people of this country should not be entitled to be provided on the basis of 50-cent butter if and when we had an administration that was not so provegetable oil. If the dried skim milk was supported at 20 cents per pound the butter could be supported at 44 cents per pound and still have the farmer receive the same price for his milk.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Has the gentleman ever heard the Secretary of Agriculture say anything in behalf of the farmers who produce milk for butter, in connection with this oleo legislation?

Mr. MURRAY of Wisconsin. I will say to my colleague from Minnesota, I do not want to—

Mr. AUGUST H. ANDRESEN. Is it not a fact that he has not said a good word for it? Has he?

Mr. MURRAY of Wisconsin. I do not want to get into that, but I will say I do not know how thoroughly he has ever studied the dairy industry, so I have always been kind of generous for that reason.

There is another angle in connection with this thing that has not been brought out at all. The other day here on the floor in considering the cotton bill there was something that happened. It happened in connection with two Representatives on this side of the aisle. One was the gentleman from Mississippi [Mr. RANKIN] and the other was the gentleman from Mississippi [Mr. WHITTEN]. They pointed out something in connection with that legislation that is involved in this legislation. It is the human angle that is involved. They indicated that we should think about people once in a while.

When this bill goes through, if we are not careful it will add 1,000,000 people to the unemployed of this country. Whether you like it or whether you do not, that is exactly what is going to happen. They cannot help it. At the present time 10 percent of the dairy industry has been destroyed by the vegetable-oil interests, and it will add another million people to the unemployment rolls of this Nation. Over 10,000,000 people are employed in the dairy industry.

I realize that the world changes, and I realize that in the old days the cartoons have shown the old Republican elephant sitting with the big fat cat sitting beside him. Now, in the last few years, that picture has changed. The poor old elephant has been shoved off his seat, and here we have the donkey sitting beside the fat cat now. Otherwise, no party will penalize the 2,500,000 American dairy farmers out. The biggest cartel, the biggest monopoly the world has ever known, the greatest and largest, and I might say the worst, fat cat in the history of the world would not be found sitting side by side with the Democrat donkey at this time.

We hear much about public health. While some are advocating a need for health legislation, others are out with hammers knocking millions of dairy cattle in the head and sending them to the slaughter pens. The dairy cow is the foster mother of the human race. Milk is the greatest single food known to man. The young, the middle-aged, and the aged should use more of milk and its products for the best health of our people. We should never forget that the dairy cow is the most efficient producer of protective food. She will, from a given amount of feed, produce twice as

much human food as any other farm animal, and four times as much as some farm animals.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota [Mr. LEMKE].

(Mr. LEMKE asked and was given permission to revise and extend his remarks and include some excerpts and letters.)

Mr. LEMKE. Mr. Speaker, I am sure we are all in accord. We believe in the pure-food law. We do not believe in fraud. I am sure every Member of the House will agree with me that to permit the oleo people to color their product yellow is stealing a trade-mark. It is a fraud and a perpetration of a fraud upon the public. Who is interested in this fraud?

First there is the housewife. She is ashamed if she uses oleo to admit it to herself and she tries to deceive herself and her husband and her family and wants them to believe they are eating butter instead of oleo because they are ashamed to admit it is oleo. Just a case of self-deception. There must be something awfully rotten about oleo if you have to practice self-deception on yourself in order to satisfy your stomach and try to fool yourself. You should not try to do that. You should at least be fair and honest with yourself. No wonder that some husbands and children get indigestion because they fill their stomachs with fraud and deception. If you like oleo, you ought not to be ashamed of its color.

Next comes the housewife who wants to fool her guests. She wants her guests to think that she is giving them some butter when she is giving them oleo. I am sure you will agree with me that the average housewife should not practice fraud and deception upon her friends and guests. It is wrong to do that. It is self-deception and it is deception upon your guests. If you want to use oleo, use it without deception. No one objects to that and your guests will think more of you in the end.

Then come the big boys who are going to make the millions and millions of dollars out of this fraud and deception by selling oleo to the public at the price of butter. I say to you I feel the Congress should not become a party to such a fraud. Let oleo stand on its own feet. We are in favor of all the taxes being taken off of oleo. We have no objection to that. But why should you take the trade-mark away from butter? It has always been known to have the natural color of yellow.

Some of you say occasionally it is made a little more yellow. Well, we have no objection if you make your oleo black or a little blacker. That would fit the situation because I understand Satan, the arch deceiver, has black garments. But you can dress it up in any way you wish as long as you do not practice deception and fraud. But please do not interfere with the butter's yellow trade-mark. It is wrong to take a trade-mark away from the people who have known it and used it for years and years and years.

If you do, in the long run you will hurt yourself. I do not believe the Congress should become a party and an accomplice

before or after the fact of perpetrating a fraud for the benefit of a number of large corporations which have been taking the lead in this fight to grab the trade-mark of butter. I do not blame them if we are foolish enough to let them do that so that they can make their millions of profit.

Here are two letters. One from the Mandan Creamery & Produce Co. and the other from the Cudahy Packing Co. Study them carefully and you will see why this bill should never become a law.

MANDAN CREAMERY & PRODUCE CO.,

Mandan, N. Dak., January 8, 1949.

Hon. WILLIAM LEMKE,

House Office Building,

Washington, D. C.

DEAR MR. LEMKE: I note, from the papers, that a new flood of bills have been introduced in Congress for the repeal of the oleo taxes and providing for the sale of colored oleo-margarine. In the past 2 years there has been a great deal of ballyhoo, promoted by the cotton oil and coconut oil interests, which ballyhoo was picked up by a number of the Members of both Houses in Congress without much thought to the serious consequences resulting.

One little thing has been overlooked in all of the proceedings and in all of the news articles which I have seen, and that is the manner in which certain large interests are able to play both sides against the middle, placing the dairy farmer and the independent producer in a sad way when it comes to the support of dairying.

Did you know that the largest producers of oleomargarine in the country are also the largest producers of butter? National Dairy, through its Kraft affiliate; Swift & Co., Cudahy Packing Co., Wilson & Co., and many others, are active supporters of butter and dairy associations and, at the same time, are providing thousands and thousands of dollars for the promotion and sale of oleo-margarine. These large members of the butter and dairy associations provide, through their contributions, a considerable control of the activities of those associations; they can, if they wish, prevent an amalgamation which will produce the most effective ammunition for the butter interests in a fight against repeal of oleo taxes.

The butter people have agreed to the repeal of oleo taxes, providing the Congress secures for butter its traditional markings and the use of the yellow color. Nine months of the year, here in North Dakota, butter contains natural carotin, which provides the yellow color. Three months of the year butter has lighter shades, sometimes being almost white. This is due to the fact that cattle are on dry feed, which produces little color. In other parts of the country—the South and the West particularly—where green feed is available the year 'round, butter has a year-round yellow color.

Why should oleo insist on adopting yellow as a color, except for the purpose of making it look like butter? The Pure Food and Drug Department allows them to add diacetyl and to churn oleo in skim milk so that it may taste like butter, they allow them to add many units of vitamin A and D so it may have some of the vitamin properties of butter. If oleo is as good as butter and if the consuming public want oleo in preference to butter it can well stand upon its own merits and be sold as a white product; which it is after bleaching, or a dirty gray or tan, which it is before bleaching; instead of being marketed yellow so the public cannot tell it from butter.

It is time for the larger interests, who operate both as butter processors and oleo processors, to come in and tell the truth about millions of dollars they have spent to agitate, to the detriment of the dairy producer,

North Dakota dairy farmers have a big stake in this movement because North Dakota produces surplus milk, which must be made into butter if it is to be salable at all, and we must look to our Members in Congress to provide the people in the country with the truth if the dairyman is to be protected.

Yours very truly,

WALTON S. RUSSELL.

THE CUDAHY PACKING Co.,
Chicago, April 20, 1948.

MY DEAR CONGRESSMAN: Our company is engaged not only in the business of slaughtering, processing, and selling meat and meat products but also in the production and sale of butter and oleomargarine. We are, in fact, one of the largest manufacturers of margarine in the United States today. Our interest in the controversy over the present oleomargarine laws is therefore not one sided. We stated in a communication to Congressman Anton J. Johnson, of Illinois, several weeks ago that we are not asking for repeal of any of the present laws relating to the manufacture and sale of oleomargarine. In our opinion, looking at the laws from the standpoint of the welfare of all segments of our economy, no change need be made. In order that you may know the reasons for our position we shall set them forth. They are as follows:

1. The present laws are not unfair or unjust.

(a) The dairy farmer is entitled to the protection of these laws. They protect his market for butterfat against unfair competition from an imitation product. Any businessman is entitled to protection against imitation of his manufactured merchandise.

(b) The consumer is not hurt by these laws.

The tax of one-fourth cent per pound on oleomargarine not colored yellow is small. The license fees which must be paid by the retailer, wholesaler, and the manufacturer are also small when passed on to the consumer, as they undoubtedly are. Applying the total of all these taxes to a family that consumes 3 pounds of oleomargarine per week, every week of the year (156 pounds per year), the total amount of taxes does not exceed 40 cents per year, less than 1 cent per week.

By comparison, the cost of adding vitamin A to oleomargarine is more than three times the amount of the tax, and the cost of advertising the leading brands of oleomargarine normally runs from four to seven times the amount of the tax.

There is no reason why oleomargarine cannot be served white, which is its natural manufactured color, but if the consumer desires to color it, modern packaging enables her to do so without waste of time or product.

Nor have the present laws had any detrimental effect on our national diet or nutrition. Our per capita consumption of fats has increased steadily during the past several decades, rising from 39 pounds in 1912 to 51 pounds in 1941. It declined slightly during the war, but since then has been rising again.

When all elements are carefully considered it can be stated with fairness that these margarine laws have helped the consumer rather than hurt him. Among other things, we can thank these laws for placing the oleomargarine industry on its "good behavior," and prompting it to use American produced oils and to improve its product to a point where it approximates the palatability and nutritional equivalency of butter.

(c) The oleomargarine industry has not been hurt by these laws. Over the past several decades sales have been on a grad-

ually ascending curve. If any hurt has come to the oleomargarine industry it has been self-inflicted. During the past several decades the industry has encouraged rather than discouraged the consumer to take the time and trouble to color her oleomargarine yellow. All of the industry's advertisements have encouraged this practice. Had the industry, on the other hand, spent its millions of advertising dollars encouraging the consumer to serve oleomargarine white, she would probably have become accustomed to using it that way today.

Other industries in food, drugs, clothing, and shelter have gotten us to change our living habits without resorting to a complete imitation of competing articles and the oleomargarine industry could and should do the same without imitating the color of butter.

(d) Our general economy would be seriously affected by a change in these laws.

The uncertain benefits that might accrue to cotton and soybean farmers are so insignificant compared with the certain disastrous effects that would be produced for dairymen by reducing the tax on yellow oleomargarine that we should all pause and examine carefully the implications of these laws before tampering with them. In 1946 only two-tenths of 1 percent of farm income was attributable to oleomargarine. On the other hand, farm income from dairy products was over a hundred times farm income from items attributable to oleomargarine. Even if farm income attributable to oleomargarine were doubled or tripled it would be small, less than one percent. Even for farmers who raised only cotton, but 1.45 percent of their cash farm income in 1946 came from cottonseed oil used in oleomargarine. In the 10 leading cotton States income to farmers from dairy products was 27 times as great as income from oleomargarine in the same year.

Farmers in certain States now raise soybeans. Taking this segment of the farming industry alone, but 5 percent of the income they enjoyed from soybeans came from oleomargarine in 1946.

To sum up, actually oleomargarine is not an important outlet for any farm product.

The following is an interesting extract from the booklet entitled "Oleomargarine and the Farmer" recently published by the National Cooperative Milk Producers Federation:

"During 1946 American consumers spent over \$2,000,000,000 for the primary edible fats—butter, lard, vegetable shortening, and oleomargarine. Out of this \$2,000,000,000 of consumers' money the American farmer received over 60 percent or \$1,231,747,000, which was divided as follows:

	Cash farm income in 1946
Butter.....	\$638,011,000
Lard.....	429,647,000
Vegetable shortening.....	124,712,000
Oleomargarine.....	39,377,000
Total.....	1,231,747,000

"Historical facts prove beyond a doubt that the quantity or poundage of fats used by the average American consumer stays about the same from year to year. Fluctuation occurs in the per capita consumption of the individual fats but an increase in the consumption of one fat generally results in an offsetting decline in another."

Twenty-five percent of our dairy farmers depend largely upon the sale of cream for butter manufacture to maintain their dairy cows. If the oleomargarine laws were repealed over a million of this type of farmer would, in our opinion, be forced to sell most of his cows. The permanent reduction in

this segment of our cattle population would affect not only our supply of milk and cream but also our supply of meat.

Inasmuch as butter traditionally has served as the outlet for all surplus supplies of milk after all other milk products (including bottled milk, ice cream, evaporated milk, dried milk, and cheese) have been supplied with their requirements, it is quite apparent that any action adversely affecting butter could create chaotic conditions in the supply and cost to the consumer of all other dairy products. It might well be that in the event that the price of butter were unduly depressed, bringing about substantially reduced production of milk in the over-all in this country, the price of bottled milk and all manufactured dairy products would at times be increased substantially to the consumer.

2. Butter alone is entitled to the yellow color because it alone is always naturally yellow—in varying shades thereof. It is morally entitled to make the claim: "Yellow is the 'trade mark' of butter." Oleomargarine, on the other hand, if processed from vegetable oils from American farms (as it is largely today) cannot be made a natural yellow. These oils are bleached, not because of the Federal laws, not because it is necessary to remove undesirable colors. There has been a great deal of misinformation and misleading propaganda put out on this subject and the record should be set straight.

3. The present 10-cent tax on the sale of yellow oleomargarine reduces the incentive for fraud and assists the Federal authorities in detecting the presence of any considerable quantities that might be palmed off as butter. The monetary incentive to sell yellow oleomargarine at the price of and in the guise of butter is unique in our economy. No other kind of product affords a parallel for comparison. With the quantities of butter sold being so huge and the price spread between butter and oleomargarine so wide, the incentive for fraud is unparalleled. Fraud would undoubtedly be practiced if the present laws were repealed. The frauds which existed when the sale of oleomargarine in this country was unregulated demonstrate this. Oleomargarine being more palatable and nutritious today, deception would be easier.

We should like to make clear at this point that in our opinion the regulatory tax on the retailer is scarcely necessary to effect proper regulation. It could well be removed.

4. Wherever large and healthy farm economies are in existence throughout the world, oleomargarine is under some form of government restriction and regulation. This is true of practically all of the countries of western Europe. In Canada its threat to a healthy economy is considered so serious that the sale of oleomargarine is completely prohibited. It is only during periods of high prices like the present that Canada ever seriously considers modification of its extreme position on oleomargarine.

5. It has been claimed that present oleomargarine laws are a misuse of the Federal taxing power. Actually, only by levying Federal taxes can the Federal Government effectively watch the sale of oleomargarine. The pure food and drug laws are helpless in this regard because they have no jurisdiction over intrastate traffic. However, the Revenue Department can and does enforce the present laws.

We hope that you will study the considerations involved in this butter-oleomargarine controversy and that your decision will not be based upon the exigencies or pressures of the moment, which are transitory.

Sincerely,

F. W. HOFFMAN,
President, Cudahy Packing Co.

The SPEAKER. The time of the gentleman from North Dakota has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, undoubtedly we are going to send this bill to conference. When this was first adopted on the floor of the House, I surprised some of you folks by showing you that you could make it in a triangular form just as easy as you could into a rectangle. I know that some of you doubted that, but it is true. There are absolutely no fears or suspicions on your part that cannot be dispelled if you think this through.

So the chairman or the gentleman promoting this measure accepted my amendment. We passed it and sent it to the other body. That change was accepted, but they went further and said that the four divisions of a pound of butter in rectangular form containing a pound should be made into four triangle divisions. That is no trouble at all and it will not take any 2 or 3 years to prepare new machinery to prepare oleo in this shape. You can make it triangular form right now in the manufacturing plants by arranging proper cutting equipment.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. I was going to point that out. The gentleman mentioned Mr. Truitt, the head of the Oleomargarine Institute, who says that it will take 3 to 5 years to perfect the machinery to make oleo in triangular form. As a matter of fact, all they would have to do is to set a wire to cut it and they could do that in a couple of days.

Mr. HILL. It is the most foolish argument in the world to say they cannot do it. It will wrap up just as easily on a machine when it is a triangle form as it will when it is square.

The only reason they do not want to do this is because they want to sell oleo in cafes and restaurants as butter. This, Mr. Speaker, I am certain we do not wish to accomplish by or through this legislation.

We should insist that our conferees accept the triangular amendment as now written into the bill by the Senate.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. BROWN of Ohio. I understand it will take only a year to make the hydrogen bomb, so I do not think it will take 3 years to make some machinery to cut this oleomargarine into triangles.

Mr. HILL. Of course it would not take 3 years. It would not take 30 days.

So I hope our conferees will insist on the Senate amendment that provides the triangular shape at the manufacturer's level.

The SPEAKER. The time of the gentleman from Colorado [Mr. HILL] has expired.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I desire to announce to the House that if we dispose of this rule today and dispose of the bill that was supposed to come up on Tuesday from the Committee on the Judiciary, and the next bill from the Committee on the Judiciary, which ought to be done, the other bill relating to bankruptcy would go over until next week, and I would be in a position where I could ask unanimous consent that when we adjourn today we adjourn to meet on Monday next.

I thought the membership of the House might be interested to know what was in my mind and what I hoped for.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, I realize it may be rather futile to oppose the rule at the present time under the prevailing circumstances. However, I think the day will come when the Congress will rue the action it is taking, in helping to demoralize and liquidate our great dairy industry.

In that connection, I think it is worthy of note and of special interest to the Representatives of the State of New York in the Congress that only on yesterday the committee on agriculture of one house of the New York General Assembly reported unfavorably on a bill which would have removed the tax on oleomargarine in the State of New York. So, fortunately for the dairy industry, there are still some State laws prevailing which will protect the great dairy industry. Some day the Congress of the United States may awaken to the fact that it is doing great injury to the dairy farmers of America.

I do hope that when the conference committee takes up the oleo tax repeal bill, the conferees on the part of the House will insist that the amendment requiring the sale of oleomargarine in triangular designs be retained in the bill. This will afford the only protection that the dairy industry will have in its competitive fight with the great oleomargarine monopoly.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. H. CARL ANDERSEN. Does not the gentleman feel that the administration has a right to be proud of their victory which will result in putting the former meager earnings of 2,500,000 of the dairy farmers into the hands of 28 oleomargarine corporations?

Mr. HOEVEN. I do not know what position the administration is going to be in, first posing as the friend of the dairy farmers and then giving them this bitter medicine. I think the farmers of the Midwest at least have gotten to the point where they are going to stop, look, and listen.

The SPEAKER. The time of the gentleman from Iowa [Mr. HOEVEN] has expired.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, the gentleman from Iowa, in explaining the action of the New York State Legislature on oleomargarine is that, due to gerrymandering on the part of the Republican Party, the rural areas have far more representation in the State legislature than their population entitles them to. The city population in the State of New York outnumbers the rural population by several million people, but in the legislature the rural areas outvoted the urban groups by reason of the connivance heretofore mentioned.

[Mr. WIER addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, I had not anticipated taking any of the time of this committee, because I felt sure that the membership would go along and grant a rule on this bill about which there is some disagreement, send it to conference, and let us try to work out and bring back to the House a bill that is acceptable to both bodies.

There has been no public statement, but there have been some private suggestions that since it happens that the gentleman from Texas has gone into the dairy business himself in the last 6 months that I have changed my feelings about this margarine legislation. It happens that I have recently invested in a grade A dairy barn and some Jersey cows and hope to very shortly be in a position to help increase the Nation's supply of pure fluid milk, but this has not made me any less interested in doing justice to margarine. I have always felt and still feel that the American consumer was entitled to buy any wholesome food in any form that he wanted to buy it; that the housewife, and not some butter manufacturer, should decide exactly the form, the color, and the shape of margarine; that the housewife should have the opportunity to buy any food that she wants to as long as it is a pure, healthful food. I believe margarine to be that kind of helpful, pure, healthful food, and I think there is no reason that any industry, whether it is my industry, your industry, or that of somebody else, should be given a legislative monopoly to the exclusion of some other healthful and useful food. In the United States let us have actual freedom of enterprise; let us not use the power of the Federal Government to establish a monopoly for any group, or to deny to any other group the right to decide without bureaucratic interference just what people may buy with their own money.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. LYLE. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, I am sure that the Membership of the House has made up its mind to send this piece of legislation to conference.

I have no objection to tax-free competition of products in the United States, but I would be remiss in my duty, not only to my constituents, but to my country, if I did not call the attention of the Congress to the fact that in passing this so-called oleo bill they are placing in jeopardy a great and fundamental industry, and vitally affecting soil conservation in the United States.

Everyone knows that animal husbandry is the basis of good soil conservation. Oleo is made from products which are soil depleting. This Congress on one hand is subsidizing certain farm products, including cotton and cottonseed, and on the other hand laying out money for soil conservation. It is a case of its left hand not knowing what its right hand is doing.

If the dairy industry were subsidized, as is cotton, tobacco, peanuts, and other soil-depleting crops, proponents of this legislation might have a point against butter. In view of the circumstances, however, it seems to me that this Congress is prostituting itself to a money-mad monopoly of 28 oleo manufacturers, and I predict that the consumer in the long run will have no savings as a result of this bill, because this monopolistic group will immediately raise the price of their inferior product and gouge the public that much more.

The least that this House can do is to instruct the conferees to make sure that oleo in restaurants should be served in triangular shapes, so the customer will know whether or not he is getting butter.

(Mr. HAYS of Ohio asked and was given permission to revise and extend his remarks.)

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following Members as conferees on the part of the House: Messrs. COOLEY, PACE, POAGE, HOPE, and AUGUST H. ANDRESEN.

EXTENSION OF REMARKS

Mr. ABERNETHY asked and was given permission to extend his remarks in the RECORD and include a resolution of the Mississippi House of Representatives.

Mr. HOEVEN asked and was given permission to revise and extend the remarks he previously made.

CORRECTION OF ROLL CALL

Mr. HOFFMAN of Michigan. Mr. Speaker, roll call No. 21 shows that I was absent and did not answer to my name. I was present and answered to my name and I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXPEDITIOUS NATURALIZATION OF FORMER CITIZENS OF THE UNITED STATES

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules I call

up House Resolution 437 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6616) to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 10 minutes of my time to the gentleman from Illinois [Mr. ALLEN], and at this time yield myself such time as I may require.

(Mr. DELANEY asked and was given permission to revise and extend his remarks.)

Mr. DELANEY. Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 6616) to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy.

Most of the Members will recall that prior to the plebiscite in Italy we in this country through the press and through radio broadcasts asked all people of Italian extraction to write to their friends and relatives in Italy urging them to take part in the Italian election. As a result of this many of them did take part in the election and lost their American citizenship.

This bill seeks to restore their former citizenship, whether it was by birth or naturalization. It will not affect the immigration laws because it limits the number to those people who were formerly citizens.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from California.

Mr. HINSHAW. The same situation has obtained to the same degree in connection with other countries where plebiscites have been held, as in Germany, Japan, and elsewhere, where previously the countries had been enemies of the United States before the war or during the war. Why is the bill limited specifically to Italy?

Mr. DELANEY. I think the chairman of the committee will be able to answer all of your questions on that point. Hearings were held and I understand that after considerable hearings this bill was reported almost unanimously.

Mr. TAURIELLO. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from New York.

Mr. TAURIELLO. Is it not a fact this bill will take care of those people who were only visiting at the time of these elections and were urged by persuasion or influence to vote with the idea of defeating the communist forces of the country?

Mr. DELANEY. The gentleman is correct; only those people who were visiting and who are now in Italy and unable to return to this country.

Mr. TAURIELLO. They did not realize that they would lose their citizenship by voting in those elections; is that right?

Mr. DELANEY. That is right. We urged them to vote, but we did not say at that time that if they voted, they would lose their citizenship.

Mr. MCSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Ohio.

Mr. MCSWEENEY. Is it not true that some of the people who lost their citizenship were people who owned property in the several States of the United States, and by losing their citizenship they are placed on a different taxing basis, and it works a great injustice to them?

Mr. DELANEY. The gentleman is correct. It also results in breaking up these families where one part of the family was in the United States and the other part visiting in Italy.

In calling up this bill today I am doing so in the hope of expediting the return to the United States of some three to four thousand Americans who lost their citizenship as a result of their devotion to democracy. These Americans were visiting in Italy in June 1946, or in April 1948, at which times critical elections were being held in Italy. Caught up in the heated struggle between the pro-Communist and pro-democratic forces in Italy, the visitors to Italy found themselves subjected to a combination of pressures which led them to believe their duty was to cast a vote in the elections.

The elections were thus not ordinary polls such as are held normally in most free countries every year; the elections in question were unique in more than one respect. Their singularity is such as to warrant an exception to our nationality laws—there is no likelihood of a repetition of the circumstances which occasioned the introduction of this bill.

The two elections in question were, first, the plebiscite in which Italians were called upon to cast a vote for or against the restoration of the monarchy. A vote against the monarchy was commonly regarded in Italy as a vote in favor of closer links with the western democracies.

The second poll was a national election, held in April 1948, for the purpose of seating members of the Chamber of Deputies. This was a hotly contested struggle in which the Communist Party and its collaborators pitted their strength against the prodemocratic political groups. A vote for the prodemocratic candidates was naturally regarded in Italy as a vote to bring Italy definitely and effectively within the coalition of western democracies.

In both cases the ballot cast by the individual Italian was weighed with consequences not only for his nation, but for the future of Europe and the peace of the world. The responsibility was a heavy one.

It was emphasized by three kinds of pressure, exerted on all Italians in an effort to bring all voters to the polls.

The first of these pressures was a legal one: the Italian election law compels all citizens to vote under penalty of certain civic disabilities. Second was the moral pressure, imposed by friends and neighbors, to make it clear that non-voters would be singled out in their communities as civic slackers. Third was the unlawful pressure imposed by Communist Party supporters, who used threats and coercion to force Italians to the polls, in the hope of gaining votes for the Communist candidates.

There was, finally, the pressure of public opinion in the United States, expressed by the urgent appeals of columnists and radio commentators, whose efforts set in motion a great letter-writing campaign by Americans who had relatives in Italy. This campaign loosed a flood of a million personal letters to Italians from their American relatives or friends.

Influenced by all these factors, some three to four thousand Americans in Italy at the time of the elections went to the polls intending to aid democracy. Their good intentions brought them under the penalties of the Nationality Act, and it is to save them from these penalties—loss of citizenship—that this bill was introduced.

Besides righting a wrong, passage of this bill will silence the Italian Communists who never tire of jeering at the Americans who voted for the sake of democracy, and now find themselves penalized because of their love for democracy.

Unless we lift this severe penalty, many families will be broken up, wives separated from their husbands, children from their parents. Americans who went to Italy simply to make a brief visit now find themselves unable to return to the United States, to their homes, to their businesses.

I think it should be clearly understood that this bill does not open a gap in our immigration laws. This measure will not start any flood of unrestricted immigration. On the contrary, the bill simply makes a fair and human exception for some three to four thousand Americans whose concern for democracy brought on them an unexpected and extremely harsh penalty.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I have not learned of anyone who is opposed to this resolution; therefore I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 323 of the act of October 14, 1940 (54 Stat. 1149), entitled "An act to revise and codify the nationality laws of the United States into a comprehensive nationality code," as heretofore amended, is hereby further amended by adding thereto the following paragraph:

"A person who, while a citizen of the United States, has lost citizenship of the United States solely by reason of having voted in a political election or plebiscite held in Italy after October 13, 1943, and before January 1, 1949, and who has not committed any other act enumerated in chapter IV of the Nationality Act of 1940, as amended, may be naturalized by taking, prior to 3 years from the enactment of this act before any naturalization court specified in subsection (a) of section 301, or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335. Certified copies of such oaths shall be sent by such diplomatic or consular officer or such court to the Department of State and to the Department of Justice. Such persons shall have, from and after naturalization under this section, the same citizenship status as that which existed immediately prior to its loss. The illegal or fraudulent procurement of naturalization under this amendment shall be subject to cancellation in the same manner as provided in section 338."

Mr. WALTER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, for the past several years a large number of private bills have been introduced for the relief of those people who lost their American citizenship because they voted in the Italian elections. After the Committee on the Judiciary had considered a number of these bills, it was determined to make an investigation for the purpose of ascertaining whether or not the situation indicated the need for over-all general legislation.

The committee conducted rather extensive hearings on this question, and last summer, when the special subcommittee of the Committee on the Judiciary made its investigation of several problems in Europe, it devoted about 8 days to an investigation of this particular situation in Italy. It has been determined that approximately 3,000 Americans, native-born Americans, if you please, lost their citizenship because they voted in the elections held in 1946 and in 1948, when the fight against communism was the issue.

Many hardships have resulted therefrom. These people have no way of returning to the United States except as quota immigrants, and with the Italian quota over-subscribed for upwards of 8 years, you can readily see how long it is going to take for most of these people to return to the country in which they were born. Significantly enough, between the end of the war and the time when the Italian Government ceased to require a visa to an American passport, nearly 89,000 Americans visited in Italy. Many of these people voted in these elections. Under the Nationality Act of 1940, section 401 (e), the mere fact that they voted, automatically deprived them of their American citizenship.

In Rome I met a man who comes from the Middle West. His father and his grandfather before him were born in the United States. He was visiting in Italy just before the war and was caught by the war and was unable to return to the United States.

When the drive started in 1946 to try to defeat the Communists, this man participated quite actively in that campaign. It was with a great deal of pride that he presented himself to the American consul in an attempt to obtain the necessary credentials in order to get back to the United States, and he announced that he not only had voted in the election but also campaigned very actively in that election. By doing so that man closed the doors on his returning to this middle western town in which he was born and where he was in business for a great many years.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I was in Italy 3 years in the Army and as Director of Welfare under the administration of American relief for Italy. I participated in urging these people to vote. I am party to the thing that caused their difficulty. May I say to the gentleman also that nobody in America probably will realize the tremendous struggle the Italian made, with all his poverty, to resist the tempting things the Communists were offering him at that time.

Mr. WALTER. There is no question about it. In addition to the very active part the American and the British armed forces played in these campaigns, there was the sort of pressure brought to bear on these people that just could not be resisted. For example, the names of the people who did not vote were posted in city halls. It was announced in public places that unless people voted they would be deprived of all government services, which of course meant ration coupons, and it meant that the Italian Government would not entertain any of their requests to have their papers put in shape so that they could return to the United States.

The tragic part of this whole situation comes from the fact that over 80 percent of people affected were born in the United States. Under the law, if the person returns to the country of his nativity after he has been naturalized and remains there for 2 years, he loses his citizenship for that reason. This measure is therefore for the benefit almost entirely of native-born American citizens.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. McSWEENEY. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Maine.

Mr. HALE. I have a constituent, who under very similar circumstances, and

REPEALING THE TAXES ON OLEOMARGARINE

MARCH 4, 1950.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 2023]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16 and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

- (1) such oleomargarine or margarine is packaged,*
- (2) the net weight of the contents of any package sold in a retail establishment is one pound or less,*
- (3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and*

(4) each part of the contents of the package is contained in a wrapper which bears the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this Act.

And the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(d) Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

"(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food."

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting "(1)" after the letter "(a)" in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine."

(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act, as amended, the term 'oleomargarine' or 'margarine' includes—

"(1) all substances, mixtures, and compounds known as oleomargarine or margarine;

"(2) all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter."

(c) Subsection (l) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: "Each separate violation of such an order shall be a separate offense,

except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense."

And the Senate agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,

Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
E. D. MILLIKIN,
ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine to repeal certain taxes relating to oleomargarine and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The committee of conference has agreed to recommend that the Senate recede from its amendment No. 10, a clerical amendment which became unnecessary, that the House recede from its disagreement to the Senate amendments Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16, and that new provisions be substituted in lieu of Senate amendments Nos. 2, 11, and 12, all as explained below:

Section 3 (b) of the bill (Senate amendment No. 1)

Section 3 (b) of the bill as passed by the House made the serving of colored oleomargarine or colored margarine in violation of section 407 (b) a prohibited act and a violation of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331). Senate amendment No. 1, which was accepted by the conference, amended section 3 (b) of the bill by expanding the provision so as to make unlawful and bring within the prohibited acts section of the Federal Food, Drug, and Cosmetic Act the sale or offering for sale of colored oleomargarine or the possession or serving of colored oleomargarine in violation of sections 407 (b) or 407 (c) of the Federal Food, Drug, and Cosmetic Act, which sections are new sections added to the Federal Food, Drug, and Cosmetic Act under section 3 (c) of this bill.

Section 3 (c) of the bill (Senate amendment No. 2)

The Senate amended section 3 (c) of the House bill by adding a new subsection (b) to section 407, the effect of which would have required the retail packages of colored oleomargarine to be manufactured in such a way that each part of the contents of the package would be triangular in shape. The conference committee struck out this Senate amendment No. 2, and agreed to a substitute which amends the Federal Food, Drug, and Cosmetic Act by adding a new subsection (b) to section 407 of that act. This provision provides that no person shall sell or offer for sale colored oleomargarine or colored margarine unless—

- (1) It is packaged;
- (2) The packages sold in retail establishments are not larger than 1 pound;
- (3) The label of the package bears the word "oleomargarine" or "margarine" in size of type or lettering at least as large as any other type or lettering on the label, and bears also a full and accurate statement of all ingredients in the oleomargarine or margarine; and

(4) Each part of the contents of the package is wrapped with a covering bearing the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

These special labeling and packaging provisions, which are in addition to other labeling and packaging provisions of the Federal Food, Drug, and Cosmetic Act, are intended to provide assurance that the consumer purchasing oleomargarine in retail establishments will be fully informed as to the contents of the package. It was not intended by the provision requiring packages to be not larger than 1 pound to modify the requirements of existing law with respect to accurate weight and measure. The purpose of this provision is to preclude the retail vending of colored oleomargarine or colored margarine in bulk-size containers or in packages larger than 1 pound. It does not preclude the present practice of placing in the 1-pound packages a slight excess of oleomargarine to assure compliance with the net-weight declaration. The package still must bear a label containing an "accurate statement of the quantity of the contents in terms of weight," pursuant to section 403 (c) (2) of the Federal Food, Drug, and Cosmetic Act, and the package must not be "so made, formed or filled as to be misleading," pursuant to section 403 (d) of that act.

This provision also requires that the label on the package of oleomargarine or margarine bear "a full and accurate statement of all the ingredients contained in such oleomargarine or margarine." This provision will require each ingredient contained in oleomargarine or margarine to be listed separately on the label but it does not require any indication as to either the actual or relative quantities of such ingredients.

Senate amendments Nos. 3, 4, 5, 6, and 7

Senate amendments Nos. 3, 4, 5, 6, and 7, which were accepted by the committee of conference, all are designed to simplify the provision of section 3 (c) of the House bill which adds a new subsection (407 (e)) to the Federal Food, Drug, and Cosmetic Act. This section appeared in the House bill as section 407 (b), but was renumbered as section 407 (c) by the Senate amendments. These amendments relate to requirements imposed in connection with the serving of colored oleomargarine or colored margarine in public eating places. The amendments break the section down into two sentences; the first relating to the type of notice which must be posted in public establishments which serve or possess in a form ready for serving colored oleomargarine or colored margarine; and, the second, dealing with the particular notice that must be given by way of identification of individual servings of colored oleomargarine or colored margarine. No changes were made in the substance of the provision as passed by the House. Under this section no person is permitted to serve or possess in a form ready for serving colored oleomargarine or colored margarine in a public eating establishment, unless there is posted in such public eating establishments a prominent and conspicuous sign informing customers of the fact that oleomargarine is served, or unless appropriate notice to that effect is given on the menu. In addition, each separate serving either must bear or be accompanied by labeling identifying the colored fat as oleomargarine or margarine, or the separate servings must be triangular in shape. As indicated above,

the Senate amendments make no change in substance but are simply clarifying.

Senate amendments Nos. 8 and 9 do nothing more than redesignate paragraphs (c) and (d) of section 407 of the House bill to (d) and (e) and are not intended to change in any manner the substantive provisions of these subsections as passed by the House. The renumbering was necessary because of the addition of new paragraph (b) hereinbefore discussed.

Section 3 (d) of the bill (Senate amendment No. 11)

Senate amendment No. 11, as amended and agreed to by the committee of conference, adds a new provision to the bill the effect of which is to amend section 402 of the Federal Food, Drug, and Cosmetic Act by adding thereto a new subsection (e). The provision is as follows:

(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine, or margarine, or butter is otherwise unfit for food.

This section, as agreed to by the conferees, adds nothing to section 402 (a) (3) of the Federal Food, Drug, and Cosmetic Act as it has been consistently interpreted and construed both by the administrative officials charged with its enforcement and by the Federal courts. It was adopted by the conferees, however, so as to make abundantly clear the intent of Congress that butter, oleomargarine, and margarine and all of their raw materials used in the manufacture of such butter, oleomargarine, and margarine should be subject to precisely the same standard of purity and to the same type of inspection.

It was not the intent of the conferees by adopting this new provision to weaken in any way the provisions of existing law as they have been interpreted and construed which provide that any food shall be deemed to be adulterated food (including all components thereof) if it consists in whole or in part of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for food.

Section 4 of the bill (Senate amendment No. 12)

Senate amendment No. 12, as amended and agreed to by the committee of conference, adds a new section 4 to the bill, the effect of which is to amend by adding new provisions to the Federal Trade Commission Act designed to curtail advertising representations and suggestions to the effect that oleomargarine or margarine is a dairy product. It is supplemental to the other provisions of the Federal Trade Commission Act relating to unfair or deceptive acts or practices or false advertising, and makes any advertisement of oleomargarine or margarine misleading if such advertisement represents that oleomargarine or margarine is a dairy product, except that this provision does not preclude the making of a truthful, accurate, and full statement in any advertisement of all the ingredients contained in such oleomargarine or margarine. It was recognized by the conferees that oleomargarine is required by the Federal standard of identity to contain either cream, milk, skim milk, a combination of dried skim milk and water, in which the weight of the dried skim milk is not less than 10 percent of the weight of the water, or a mixture of these ingredients. An exception was, therefore, provided which would permit a truthful,

accurate, and full statement of all the ingredients in the advertising. This provision is consistent with the provision of section 3 (c) of the bill (Senate amendment No. 2), under which the label of oleomargarine or margarine is required to bear a full and accurate statement of all the ingredients contained therein.

Senate amendment No. 12 prior to its amendment by the conference committee also contained a definition of oleomargarine similar to the one contained in the Oleomargarine Tax Act (26 U. S. C. 2300). That definition, however, was regarded by the conferees as obsolete. As rewritten and agreed to by the committee of conference, the definition includes within its terms not only those substances known as oleomargarine and margarine, but also "all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter." This definition is not intended to nullify or impair the definition and standard of identity for oleomargarine which has been adopted under the Federal Food, Drug, and Cosmetic Act. That definition and standard of identity promulgated to promote honesty and fair dealing in the interest of consumers, provides assurance that articles which are represented as, or which purport to be oleomargarine, shall measure up to at least minimum standards for fat, shall be prepared in a specified way, shall contain only those optional ingredients which are expressly permitted, and shall bear the labeling statements prescribed for such optional ingredients. Under that standard an article which is represented as or which purports to be oleomargarine but which for example contains less than 80 percent of fat, would be misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act. Such a product, however, would be oleomargarine for the purposes of new regulations provided in this bill, although it would be misbranded oleomargarine under section 403 (g) of the present law. The statutory definition in this bill was deemed desirable in order to emphasize the purposes of the Congress that the oleomargarine-like or butter-like products which fail to meet minimum standards should in every case come within the controls here being prescribed as well as within the controls of other applicable provisions of the Federal Food, Drug, and Cosmetic Act.

This amendment to the Federal Trade Commission Act also provides that each separate violation of a cease-and-desist order issued by the Federal Trade Commission, shall be a separate offense, except that where the violation occurs through failure or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

Other provisions

Senate amendment No. 13 simply renumbered section 4 of the bill to make it section 5. This renumbering having been made necessary by the addition of Senate amendment No. 12.

Senate amendment No. 14 rewrote and renumbered section 5 of the House bill, which provided that the act should not abrogate or nullify any statute of any State or Territory. This was done to provide very clearly that the adoption of this act shall not be construed as authorizing the possession, sale, or serving of colored oleo-

margarine or colored margarine in any State or Territory in contravention of the laws of any State or Territory.

Senate amendment No. 15 renumbered and revised section 6 of the bill as it passed the House. As now written, the act will become effective on July 1, 1950. This will make the law effective at the start of the next fiscal year, which also would have been the tax year for the purposes of the Oleomargarine Tax Act. It will provide time within which the Food and Drug Administration may prepare itself for the administration of the requirements of this act and request the necessary funds for administration.

The conferees considered that the separability clause of the Federal Food, Drug, and Cosmetic Act would be applicable to the provision of this act and therefore no additional separability clause would be necessary in connection with this bill.

The bill as agreed to by the conferees repeals the tax provisions of the Internal Revenue Code relating to domestic oleomargarine but leaves the administrative provisions relating to the collection and enforcement of those taxes still in the Internal Revenue Code. By not specifically repealing these provisions it is not intended that such provisions will have any effect with respect to oleomargarine except to the extent necessary to enforce the taxing provisions on imported oleomargarine or for the purpose of sustaining any proper suit, action, or other proceeding with respect to violations which have occurred prior to the effective date of this act.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,

Managers on the Part of the House.



PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include excerpts from a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

WORKERS DEFENSE LEAGUE LIES ABOUT THE SOUTH

Mr. RANKIN. Mr. Speaker, the Communist advocates of a world government are using mysterious ways their wondrous to perform.

Yesterday the Associated Press carried a story of a representative of the so-called Workers Defense League who went to the United Nations, that communistic set-up in New York that wants to dominate the American people and the people of every State, and told them that in the South the share croppers, cotton pickers, and others were reduced to a state of slavery.

A more miserable lie could not have been uttered at any time.

He went on to say that the turpentine workers are in the same predicament, and that the fruit gatherers in the Southwest and in California are in the same predicament. Then he went so far away as the Pribilof Islands and said that they are reducing the Eskimos who help to gather the sealskins on the Pribilof Islands to slavery.

Now, that is just one of the few Communist fronts that are trying to use this set-up in New York to take over the Government of the United States and dominate the people of every State of this Union. It is time the American people knew the truth about that would-be world government and that Congress woke up and withdrew from it.

The American people are capable of conducting their own affairs under the Constitution, without any help from people who have shown that they are incapable of governing themselves.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 5 minutes.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

THE COAL STRIKE

Mr. MADDEN. Mr. Speaker, I wish to congratulate President Truman on his masterly settlement of the coal strike.

The devastating coal strike is now 99 percent settled. Informed sources say that the miners will be back to work Monday.

This unnecessary tie-up of coal production and its repercussions on other industry should be classified by a military term as "Operations Taft-Hartley."

Cyrus S. Ching, Federal Mediator and former rubber executive, publicly stated several weeks ago that there had not been any honest effort at collective bargaining since contract discussions started last summer. The response of the coal operators to all collective bargaining pro-

posals was an emphatic "No." The American people were compelled to endure the inconvenience of a coal crisis because powerful interests in this country insisted that President Truman be compelled to use the injunction provision of the Taft-Hartley Act. At a terrible cost, a crisis developed wherein the President was compelled to use the Taft-Hartley injunction. This un-American provision in the Taft-Hartley Act proved to be a 100-percent failure. Approximately 450,000 miners refused to go back to work in spite of the injunction. As soon as the operators discovered the monumental failure of the Taft-Hartley law injunction they quickly proceeded to collective bargain with the union and coal production should be back to normal in a short time.

During the last 18 months there have been more serious strikes, labor disputes, and work stoppages than any year in our history. The only exception might be the first year after the war, when thousands of labor contracts that had been status quo for 5 years during the war period came up for renewal.

Had the Thomas-Lesinski bill been substituted for the Taft-Hartley Act a year ago, 90 percent of our labor troubles in the last 12 months would not have taken place.

Every Member of Congress should review President Truman's veto message of the Taft-Hartley Act which was read on this floor, June 20, 1947. I hereby quote just a few sentences from that prophetic message:

The Taft-Hartley Act will prove unworkable, create chaos in industry, and lead to bitterness between management and labor. * * * Its provisions would cause more strikes, not fewer. * * * I find that this bill is completely contrary to our national policy of economic freedom. It would require the Government to become an unwanted participant at every bargaining table. * * * Cooperation cannot be achieved by force of law. We cannot create mutual respect and confidence by legislative fiat. * * * I have concluded that the bill is a clear threat to the successful working of our democratic society. * * * By raising barriers between labor and management, it would invite them to gain their ends through direct political action.

The President, in that veto message, made numerous other statements and predictions that have come true. The Taft-Hartley Act has already proved the greatest legislative mistake since the Volstead prohibition law.

This Congress must immediately reconsider legislation to repeal the Taft-Hartley law and substitute therefor the Thomas-Lesinski bill which was up for consideration last April. The great majority of the American public, and, I firmly believe, of this Congress, are now convinced that the Taft-Hartley law is a monumental flop.

On next Monday I am filing a bill asking that a special committee be set up by the Congress to hold hearings and completely investigate the extent of good-faith collective bargaining which has taken place during the recent coal-strike dispute. This committee should also investigate the extent of the good-faith collective bargaining in other labor

disputes which have tied up our economy since the Taft-Hartley Act has been in force.

I am satisfied that the report of an investigation of this kind will reveal the necessity for the immediate repeal of the Taft-Hartley Act.

Our American economy cannot afford to wait for the Eighty-second Congress to repeal this unworkable law.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. While many of his critics and opponents were talking and creating straw men for the purpose of knocking them down, President Truman, the only man whose constituency is the entire country, was thinking and acting and not talking. This is evidenced by the settlement of the coal strike and also by the settlement months ago of the steel strike. We remember when the steel strike existed how many of the opponents, and our Republican friends, condemned President Truman, but he was acting in the interest of the entire people. He insisted upon collective bargaining with individual companies. That is what prevailed.

Under the present situation, the President recognized that if the mines were taken over again it might be difficult to get the mines back into private hands. Many of the opponents of nationalization of industry, which both parties oppose, in their desire to get political advantage were urging the President to take this premature action. There are many mine owners who have high-cost producing mines who would like to unload them onto the Government. They do not care so long as their pocketbooks are taken care of. It is just the same as 20 years ago, when the railroads had a drive to try to have the Government take them over. They did not think about nationalization of industry when their pocketbook was involved. They were against it academically then, but from a practical angle if the Government took them over it would have meant the nationalization of industry. The President knew that, and anybody with common sense knew that. He hesitated to take the final step.

The one thing, in my opinion, that contributed more in the final stages of the consideration toward the solution of the coal situation was the provision of the bill that the President sent up and which the gentleman from Michigan [Mr. LESINSKI] introduced, that while the President might make terms with the workers, if the Government had to take the mines over the President could not make a contract. They knew that there could not be any contract made by the President or any one of his representatives, by the Government, and that, more than anything else, in my opinion, in the final hours of the negotiations was the powerful factor that brought about the successful conclusion.

The President of the United States is entitled to the commendation of the people of America for the outstanding manner in which he met the situation and contributed toward its solution.

Mr. MADDEN. I thank the majority leader for his constructive remarks.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to revise and extend his remarks.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report on the bill H. R. 2023.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REPEALING THE TAXES ON OLEOMARGARINE

Mr. COOLEY, from the committee of conference, submitted the following conference report and statement on the bill (H. R. 2023):

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

"(1) such oleomargarine or margarine is packaged,

"(2) the net weight of the contents of any package sold in a retail establishment is one pound or less,

"(3) there appears on the label of the package (A) the word 'oleomargarine' or 'margarine' in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

"(4) each part of the contents of the package is contained in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than 20-point type.

"The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this Act."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

"(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting '(1)' after the letter '(a)' in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine."

"(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act, as amended, the term 'oleomargarine' or 'margarine' includes—

"(1) all substances, mixtures, and compounds known as oleomargarine or margarine;

"(2) all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter."

"(c) Subsection (1) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.'"

And the Senate agree to the same.

HAROLD D. COOLEY,

STEPHEN PACE,

W. R. POAGE,

Managers on the Part of the House.

WALTER F. GEORGE,

TOM CONNALLY,

E. D. MILLIKIN,

ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine to repeal certain taxes relating to oleomargarine and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The committee of conference has agreed to recommend that the Senate recede from its amendment No. 10, a clerical amendment which became unnecessary, that the House recede from its disagreement to the Senate amendments Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16, and that new provisions be substituted in lieu of Senate amendments Nos. 2, 11, and 12, all as explained below:

Section 3 (b) of the bill (Senate amendment No. 1): Section 3 (b) of the bill as passed by the House made the serving of colored oleomargarine or colored margarine in violation of section 407 (b) a prohibited act and a violation of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331). Senate amendment No. 1, which was accepted by the conference, amended section

3 (b) of the bill by expanding the provision so as to make unlawful and bring within the prohibited acts section of the Federal Food, Drug, and Cosmetic Act the sale or offering for sale of colored oleomargarine or the possession or serving of colored oleomargarine in violation of sections 407 (b) or 407 (c) of the Federal Food, Drug, and Cosmetic Act, which sections are new sections added to the Federal Food, Drug, and Cosmetic Act under section 3 (c) of this bill.

Section 3 (c) of the bill (Senate amendment No. 2): The Senate amended section 3 (c) of the House bill by adding a new subsection (b) to section 407, the effect of which would have required the retail packages of colored oleomargarine to be manufactured in such a way that each part of the contents of the package would be triangular in shape. The conference committee struck out this Senate amendment No. 2, and agreed to a substitute which amends the Federal Food, Drug, and Cosmetic Act by adding a new subsection (b) to section 407 of that act. This provision provides that no person shall sell or offer for sale colored oleomargarine or colored margarine unless:

(1) It is packaged;

(2) The packages sold in retail establishments are not larger than 1 pound;

(3) The label of the package bears the word "oleomargarine" or "margarine" in size of type or lettering at least as large as any other type or lettering on the label, and bears also a full and accurate statement of all ingredients in the oleomargarine or margarine; and

(4) Each part of the contents of the package is wrapped with a covering bearing the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

These special labeling and packaging provisions, which are in addition to other labeling and packaging provisions of the Federal Food, Drug, and Cosmetic Act, are intended to provide assurance that the consumer purchasing oleomargarine in retail establishments will be fully informed as to the contents of the package. It was not intended by the provision requiring packages to be not larger than 1 pound to modify the requirements of existing law with respect to accurate weight and measure. The purpose of this provision is to preclude the retail vending of colored oleomargarine or colored margarine in bulk-size containers or in packages larger than 1 pound. It does not preclude the present practice of placing in the 1-pound packages a slight excess of oleomargarine to assure compliance with the net-weight declaration. The package still must bear a label containing an "accurate statement of the quantity of the contents in terms of weight," pursuant to section 403 (e) (2) of the Federal Food, Drug, and Cosmetic Act, and the package must not be "so made, formed or filled as to be misleading," pursuant to section 403 (d) of that act.

This provision also requires that the label on the package of oleomargarine or margarine bear "a full and accurate statement of all the ingredients contained in such oleomargarine or margarine." This provision will require each ingredient contained in oleomargarine or margarine to be listed separately on the label but it does not require any indication as to either the actual or relative quantities of such ingredients.

Senate Amendments Nos. 3, 4, 5, 6, and 7: Senate amendments Nos. 3, 4, 5, 6, and 7, which were accepted by the committee of conference, all are designed to simplify the provision of section 3 (c) of the House bill which adds a new subsection (407 (c)) to the Federal Food, Drug, and Cosmetic Act. This section appeared in the House bill as section 407 (b), but was renumbered as section 407 (c) by the Senate amendments. These amendments relate to requirements imposed in connection with the serving of

colored oleomargarine or colored margarine in public eating places. The amendments break the section down into two sentences; the first relating to the type of notice which must be posted in public establishments which serve or possess in a form ready for serving colored oleomargarine or colored margarine; and, the second, dealing with the particular notice that must be given by way of identification of individual servings of colored oleomargarine or colored margarine. No changes were made in the substance of the provision as passed by the House. Under this section no person is permitted to serve or possess in a form ready for serving colored oleomargarine or colored margarine in a public eating establishment, unless there is posted in such public eating establishments a prominent and conspicuous sign informing customers of the fact that oleomargarine is served, or unless appropriate notice to that effect is given on the menu. In addition, each separate serving either must bear or be accompanied by labeling identifying the colored fat as oleomargarine or margarine, or the separate servings must be triangular in shape. As indicated above, the Senate amendments make no change in substance but are simply clarifying.

Senate amendments Nos. 8 and 9 do nothing more than redesignate paragraphs (c) and (d) of section 407 of the House bill to (d) and (e) and are not intended to change in any manner the substantive provisions of these subsections as passed by the House. The renumbering was necessary because of the addition of new paragraph (b) hereinbefore discussed.

Section 3 (d) of the bill (Senate amendment No. 11): Senate amendment No. 11, as amended and agreed to by the committee of conference, adds a new provision to the bill the effect of which is to amend section 402 of the Federal Food, Drug, and Cosmetic Act by adding thereto a new subsection (e). The provision is as follows:

"(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine, or margarine, or butter is otherwise unfit for food."

This section, as agreed to by the conferees, adds nothing to section 402 (a) (3) of the Federal Food, Drug, and Cosmetic Act as it has been consistently interpreted and construed both by the administrative officials charged with its enforcement and by the Federal courts. It was adopted by the conferees, however, so as to make abundantly clear the intent of Congress that butter, oleomargarine, and margarine and all of their raw materials used in the manufacture of such butter, oleomargarine, and margarine should be subject to precisely the same standard of purity and to the same type of inspection.

It was not the intent of the conferees by adopting this new provision to weaken in any way the provisions of existing law as they have been interpreted and construed which provide that any food shall be deemed to be adulterated food (including all components thereof) if it consists in whole or in part of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for food.

Section 4 of the bill (Senate amendment No. 12): Senate amendment No. 12, as amended and agreed to by the committee of conference, adds a new section 4 to the bill, the effect of which is to amend by adding new provisions to the Federal Trade Commission Act designed to curtail advertising representations and suggestions to the effect that oleomargarine or margarine is a dairy product. It is supplemental to the other provisions of the Federal Trade Commission Act relating to unfair or deceptive acts or practices or false advertising, and makes any advertisement of oleomargarine or margarine misleading if such advertisement repre-

sents that oleomargarine or margarine is a dairy product, except that this provision does not preclude the making of a truthful, accurate, and full statement in any advertisement of all the ingredients contained in such oleomargarine or margarine. It was recognized by the conferees that oleomargarine is required by the Federal standard of identity to contain either cream, milk, skim milk, a combination of dried skim milk and water, in which the weight of the dried skim milk is not less than 10 percent of the weight of the water, or a mixture of these ingredients. An exception was therefore provided which would permit a truthful, accurate, and full statement of all the ingredients in the advertising. This provision is consistent with the provision of section 3 (c) of the bill (Senate amendment No. 2), under which the label of oleomargarine or margarine is required to bear a full and accurate statement of all the ingredients contained therein.

Senate amendment No. 12 prior to its amendment by the conference committee also contained a definition of oleomargarine similar to the one contained in the Oleomargarine Tax Act (26 U. S. C. 2300). That definition, however, was regarded by the conferees as obsolete. As rewritten and agreed to by the committee of conference, the definition includes within its terms not only those substances known as oleomargarine and margarine, but also "all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter." This definition is not intended to nullify or impair the definition and standard of identity for oleomargarine which has been adopted under the Federal Food, Drug, and Cosmetic Act. That definition and standard of identity promulgated to promote honesty and fair dealing in the interest of consumers, provides assurance that articles which are represented as, or which purport to be oleomargarine, shall measure up to at least minimum standards for fat, shall be prepared in a specified way, shall contain only those optional ingredients which are expressly permitted, and shall bear the labeling statements prescribed for such optional ingredients. Under that standard an article which is represented as or which purports to be oleomargarine but which for example contains less than 80 percent of fat, would be misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act. Such a product, however, would be oleomargarine for the purposes of new regulations provided in this bill, although it would be misbranded oleomargarine under section 403 (g) of the present law. The statutory definition in this bill was deemed desirable in order to emphasize the purposes of the Congress that the oleomargarine-like or butter-like products which fail to meet minimum standards should in every case come within the controls here being prescribed as well as within the controls of other applicable provisions of the Federal Food, Drug, and Cosmetic Act.

This amendment to the Federal Trade Commission Act also provides that each separate violation of a cease-and-desist order issued by the Federal Trade Commission, shall be a separate offense, except that where the violation occurs through failure or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

Other provision: Senate amendment No. 13 simply renumbered section 4 of the bill to make it section 5. This renumbering having been made necessary by the addition of Senate amendment No. 12.

Senate amendment No. 14 reworded and renumbered section 5 of the House bill, which provided that the act should not abrogate or nullify any statute of any State or Territory. This was done to provide very

clearly that the adoption of this act shall not be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of any State or Territory.

Senate amendment No. 15 renumbered and revised section 6 of the bill as it passed the House. As now written, the act will become effective on July 1, 1950. This will make the law effective at the start of the next fiscal year, which also would have been the tax year for the purposes of the Oleomargarine Tax Act. It will provide time within which the Food and Drug Administration may prepare itself for the administration of the requirements of this act and request the necessary funds for administration.

The conferees considered that the separability clause of the Federal Food, Drug, and Cosmetic Act would be applicable to the provision of this act, and, therefore, no additional separability clause would be necessary in connection with this bill.

The bill as agreed to by the conferees repeals the tax provisions of the Internal Revenue Code relating to domestic oleomargarine but leaves the administrative provisions relating to the collection and enforcement of those taxes still in the Internal Revenue Code. By not specifically repealing these provisions it is not intended that such provisions will have any effect with respect to oleomargarine except to the extent necessary to enforce the taxing provisions on imported oleomargarine or for the purpose of sustaining any proper suit, action, or other proceeding with respect to violations which have occurred prior to the effective date of this act.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,

Managers on the Part of the House.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

THE TAFT-HARTLEY LAW

Mr. HOFFMAN of Michigan. Mr. Speaker, it is my hope that some of the gentlemen who voted for the Taft-Hartley Act—two-thirds of the Members of the House voted for the act—will stick around today, or take occasion Monday to reply to statements which have been made today criticizing the act.

I listened to the gentleman from Nebraska, Dr. MILLER, tell his little story about the pimple and the cancer, and to the gentleman from Nebraska [Mr. O'SULLIVAN] comment on that story. It occurs to me that the gentleman from Nebraska [Mr. O'SULLIVAN] is a little lacking in medical knowledge. I understand a pimple is sometimes a symptom of a cancer. That is to say, sometimes a pimple will develop into a cancer. Is that not right, Dr. MILLER?

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman.

Mr. MILLER of Nebraska. While the gentleman from Nebraska [Mr. O'SULLIVAN] I thought was perhaps reflecting on my ability, I am a life member of the American College of Surgeons, and have treated cancer.

Mr. HOFFMAN of Michigan. What I want to know is whether sometimes a pimple may possibly develop into a cancer?

Mr. MILLER of Nebraska. Yes.

Mr. HOFFMAN of Michigan. Sure, that is right. So I say to my good friend, and he is my good friend I hope, the gentleman from Nebraska, you want to watch those pimples, the first thing you know you may have a cancer where first you only saw a pimple. So do not ridicule the doctor. He knows what he is talking about.

In our national life, what may seem to be just a little pimple—oh, so very small a one—may turn out to be a cancer.

The refusal, in a comparatively little matter, to enforce the law of the land may lead to insurrection and civil strife.

The President, by his conduct, has condoned in labor disputes violations of the law. In the coal dispute, he refused to use the law available; then asked for law to seize private property.

Seizure of private property without authority of law—and what right has the Congress to take either the right to work or the right to do business—may result in socialism, a cancerous growth in any free society.

It is rather strange and disturbing to me to hear from the well of the House praise of an executive officer whose duty it is to enforce the law—praised because he did not enforce the law.

I recall the gentleman from Missouri [Mr. CHRISTOPHER] was telling us about the things they celebrated at the Jefferson-Jackson Day dinner. I will comment on that at a later date.

Now, I learned this morning that to the list of events which on the same theory might be celebrated by the Democratic Party is added this failure of the President to enforce a law of the land—the Taft-Hartley Act, which it is his sworn duty to enforce.

You say the law is a failure. One even said it is the cause of the strike in the coal industry. That statement is ridiculous.

If the law has failed, it is because of the lack of enforcement. The court did find that the men, according to the evidence produced before it, were not on strike. Now, you go out in the sticks and tell that to the people who lack coal. Tell them that the miners were not on strike, and that the failure was due to the Taft-Hartley Act.

The failure of the law, you say? It was not a failure of the law. There was a failure of the enforcement officers of the Department of Justice.

Did the law of the land against extortion fail because five gangsters were turned loose on the public by a parole agency of the Government? Oh, no; it was a corruption of justice. That is what is the matter.

You might just as well say that there is no virtue in the law against assault and battery because while two or three fellows were beating me up on one corner, the policeman who was standing over on the other corner could not see them do it because he was blinded by some politician.

The President, for political reasons, did not want the Taft-Hartley Act on the books. The President, for the same reasons, vetoed that law. More than two-thirds of the Members of each House, at the demand of their constituents, enacted that law over his veto.

He did not want the law; hence he has done many things to prevent its being successfully applied. He has openly and publicly condemned it, even though he took oath to uphold the law.

One of his campaign promises was that he would have it repealed. That he was not able to do. Since then, in the coal strike, he has followed a course until, from a practical standpoint, the effect is somewhat similar to a repeal.

Although he was forced to use the law some six times, and although in each case it served the purpose for which it was written, contributed to the solution of a labor dispute, in this particular case the President, by permitting either inefficient or dishonest enforcement officers to ignore the facts, has made that law ineffective.

The President waited. He knew there would be suffering because he waited, but he waited so that he might create a situation where he could ask the Congress for authority to seize the mines; when it would be embarrassing for Congressmen to refuse him that arbitrary, to my mind, unconstitutional, power.

The President is a clever machine political maneuverer, and, while his cleverness may be of advantage to him from a political standpoint, it places upon him the responsibility for a great deal of unemployment, for suffering and for hardship endured by our people while he has been playing politics.

You know very well that if the President had proceeded under the Taft-Hartley Act, if the Justice Department had been worth its salt, you would have had a case of a violation of the injunction. While it is true that you cannot dig coal with bayonets, the use of bayonets may enable others to dig coal.

I will tell you what is the basic fault in this situation. This situation grows out of the fact that we granted certain privileges and benefits, special in their nature, to organized labor. Organized labor took advantage of the things we gave them, these special benefits and privileges, and, ignoring the rights of other citizens, ignoring the rights of the public and endangering by their acts the public health, safety, and welfare, they worked themselves into a position where they had a monopoly of production in the coal industry.

To work their will they deprived citizens of the country of a necessity, and the situation has developed so that factories were closing. There was unemployment.

So what do you do? You praise a man who refuses to enforce a law which is on the books, the enforcement of which would have given relief. How long do you think you can get away with that? You will create in this country the same sort of sentiment that was back of the enactment of the Taft-Hartley Act.

People eventually are going to say to all these organized-labor groups, "Yes,

you can have the right to bargain collectively; you can have your jobs under certain conditions; you can have a minimum wage; you can have overtime, and all these other beneficial things, but when you go so far as to say that any group"—I do not care whether it is A. F. of L., CIO, or the machinists' union, I do not care which group it is—"can threaten the public health," finally the people are going to say, "Now you fellows are playing in a game, but you are going to abide by the rules of the game. You are not going to be permitted at your will to take possession of plants and destroy property. You are not going to be permitted by mob violence to walk into my town or the other town and say, 'We take over'" as they did in the sit-down strikes and as they did in other instances in the last 2 years.

"You are not going to be permitted to come in, as you did in Kalamazoo with 200 people, blockade the streets and grab innocent people and beat them, burn cars and trucks of men and women whose only offense was that they wanted to work." Eventually the people will say, "That is going to stop."

Now, I will say to the gentleman from Indiana [Mr. MADDEN] if that is the sort of procedure you are going to advocate, you will be met by laws which will use lawful forces to meet the unlawful force.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Yes; I yield.

Mr. MADDEN. Long before the Taft-Hartley Act, long before the Wagner Act, we always had a remedy where hoodlums who beat up anybody were taken into the courts and prosecuted. It does not require the Taft-Hartley Act.

Mr. HOFFMAN of Michigan. Yes; that is correct. But then the laws were enforced. I want to answer that right there. That remedy has been lost. Why? Because of its voting power, organized labor has either intimidated or converted a sufficient number of congressional representatives in both branches of the Congress, so that they will not insist upon enforcement of the law.

I will say it goes further back than that. It goes back to the cities and towns. Violence and destruction of property by organized labor is not punished the way violence and property damage by other citizens is punished. If I am on the picket line—and I can cite hundreds of instances—if I am on the picket line I can crack another man's head and I will not be prosecuted. A citizen doing the same thing in his own behalf will land in the jug.

I know you will say that in years gone by it was the employer who instigated the violence. But that was outlawed, and it was stopped, and now the unions and their representatives do it and they escape prosecution.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Yes; I yield.

Mr. MADDEN. In Gary, Ind., we had a steel strike that lasted 3 weeks. There was only one case where some hoodlums

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 88, noes 51.

Mr. VORYS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 209, nays 165, not voting 58, as follows:

[Roll No. 83]

YEAS—209

Abbitt	Gossett	Noland
Addonizio	Granahan	Norrell
Albert	Grant	O'Brien, Ill.
Andrews	Green	O'Brien, Mich.
Aspinall	Gregory	O'Hara, Ill.
Barden	Hare	O'Neill
Baring	Harris	O'Sullivan
Bates, Ky.	Harrison	O'Toole
Battle	Hart	Passman
Bentsen	Havener	Patten
Biemiller	Hébert	Perkins
Blatnik	Hedrick	Peterson
Boggs, La.	Heffernan	Pfeifer,
Bonner	Heller	Joseph L.
Bosone	Herlong	Pickett
Boykin	Hobbs	Poage
Breen	Holifield	Powell
Brooks	Howell	Preston
Brown, Ga.	Huber	Price
Bryson	Irving	Priest
Buchanan	Jackson, Wash.	Quinn
Buckley, Ill.	Jacobs	Rabaut
Buckley, N. Y.	Jones, Ala.	Rains
Burke	Jones, Mo.	Ramsay
Burleson	Jones, N. C.	Redden
Burnside	Karst	Regan
Burton	Karsten	Rhodes
Camp	Kee	Ribicoff
Cannon	Kelley, Pa.	Richards
Carlyle	Kelly, N. Y.	Rivers
Carnahan	Kennedy	Rodino
Carroll	Keogh	Rooney
Chelf	Kilday	Roosevelt
Chesney	King	Sabath
Christopher	Klein	Sasser
Chudoff	Kruse	Shelley
Combs	Lane	Sikes
Cooley	Lanham	Sims
Cooper	Lesinski	Smith, Va.
Crook	Lind	Spence
Crosser	Linehan	Staggers
Davenport	Lucas	Steed
Davis, Tenn.	Lyle	Stigler
Dawson	Lynch	Sullivan
DeGraffenried	McCarthy	Sutton
Delaney	McCormack	Tackett
Denton	McGrath	Tauriello
Dingell	McGuire	Thomas
Dollinger	McMillan, S. C.	Thompson
Doughton	McSweeney	Thornberry
Doyle	Mack, Ill.	Trimble
Durham	Madden	Underwood
Eaton	Mahon	Vinson
Eberhart	Mansfield	Wagner
Elliott	Marcantonio	Walsh
Evins	Marsalis	Walter
Fallon	Marshall	Welch
Feighan	Morrow	Wheeler
Fernandez	Miles	Whitten
Flood	Miller, Calif.	Whittington
Fogarty	Mills	Wickersham
Forand	Mitchell	Wier
Frazier	Monroney	Willis
Fugate	Morgan	Wilson, Okla.
Furcolo	Morris	Wilson, Tex.
Garmatz	Moulder	Wood
Gary	Multer	Woodhouse
Gordon	Murdock	Worley
Gore	Murphy	Yates
Gorski	Murray, Tenn.	Zablocki

NAYS—165

Abernethy	Angell	Bishop
Allen, Calif.	Arends	Blackney
Allen, Ill.	Barrett, Wyo.	Boggs, Del.
Andersen	Bates, Mass.	Bolton, Ohio
H. Carl	Beall	Bramblett
Anderson, Calif.	Beckworth	Brehm
Andresen	Bennett, Fla.	Brown, Ohio
August H.	Bennett, Mich.	Burdick

Byrnes, Wis.	Holmes	Phillips, Calif.
Canfield	Hope	Phillips, Tenn.
Case, N. J.	Horan	Polk
Case, S. Dak.	Hull	Potter
Chiperfield	Jackson, Calif.	Poulson
Church	James	Rankin
Clevenger	Javits	Reed, Ill.
Cole, Kans.	Jenison	Rees
Cole, N. Y.	Jenkins	Rich
Corbett	Jennings	Riehlman
Cotton	Jensen	Rogers, Mass.
Cox	Johnson	Sadlak
Crawford	Jonas	St. George
Cunningham	Judd	Sanborn
Curtis	Kean	Saylor
Dague	Kearney	Scott,
Davis, Ga.	Kearns	Hugh D., Jr.
Davis, Wis.	Keating	Scrivner
D'Ewart	Keefe	Scudder
Dolliver	Kilburn	Secrest
Dondero	Kunkel	Shafer
Elston	Latham	Short
Engel, Mich.	LeCompte	Simpson, Ill.
Fellows	Lemke	Simpson, Pa.
Fenton	Lichtenwalter	Smith, Kans.
Ford	Lodge	Smith, Wis.
Fulton	Love	Stefan
Gamble	McConnell	Stockman
Gathings	McCulloch	Taber
Gavin	McDonough	Talle
Gillette	McGregor	Tollefson
Golden	McKinnon	Towe
Goodwin	McMillen, Ill.	Van Zandt
Graham	Mack, Wash.	Velde
Hagen	Macy	Vorys
Hale	Martin, Iowa	Vursell
Hall,	Mason	Weichel
Edwin Arthur	Michener	Werdel
Hall,	Miller, Md.	Widnall
Leonard W.	Miller, Nebr.	Wigglesworth
Halleck	Morton	Williams
Harden	Murray, Wis.	Wilson, Ind.
Harvey	Nelson	Winstead
Hays, Ohio	Nicholson	Withrow
Heseltun	Nixon	Wolcott
Hill	Norblad	Wolverton
Hinshaw	O'Hara, Minn.	Woodruff
Hoeven	O'Konski	Young
Hoffman, Mich.	Patterson	

NOT VOTING—58

Allen, La.	Fisher	Patman
Auchincloss	Gilmer	Pfeiffer,
Bailey	Granger	William L.
Barrett, Pa.	Gross	Philbin
Bolling	Gwinn	Plumley
Bolton, Md.	Hand	Reed, N. Y.
Bulwinkle	Hardy	Rogers, Fla.
Byrne, N. Y.	Hays, Ark.	Sadowski
Cavalcante	Herter	Scott, Hardie
Celler	Hoffman, Ill.	Sheppard
Chatham	Kerr	Smathers
Clemente	Kirwan	Smith, Ohio
Colmer	Larcade	Stanley
Coudert	LeFevre	Taylor
Davies, N. Y.	Magee	Teague
Deane	Martin, Mass.	Wadsworth
Donohue	Meyer	Whitaker
Douglas	Morrison	White, Calif.
Ellsworth	Norton	White, Idaho
Engle, Calif.	Pace	

So the conference report was agreed to.
The Clerk announced the following pairs:

On this vote;
Mr. Gilmer for, with Mr. Auchincloss against.

Mr. Kirwan for, with Mr. Taylor against.
Mr. Chatham for, with Mr. Hoffman of Illinois against.

Mr. Byrne of New York for, with Mr. Reed of New York against.

Mr. Whitaker for, with Mr. Smith of Ohio against.

Mr. Deane for, with Mr. Herter against.

Mr. Morrison for, with Mr. Ellsworth against.

Mr. Bolling for, with Mr. Meyer against.

Mr. Engel of California for, with Mr. Coudert against.

Mr. White of California for, with Mr. LeFevre against.

Mr. Sadowski for, with Mr. Plumley against.

Mr. Hays of Arkansas for, with Mr. Hand against.

Mr. Celler for, with Mr. Hardie Scott against.

Until further notice:

Mr. Smathers with Mr. Martin of Massachusetts.

Mr. Magee with Mr. William L. Pfeiffer.

Mrs. Norton with Mr. Wadsworth.

Mr. O'TOOLE and Mr. HARRIS changed their votes from "nay" to "yea."

Mr. BURDICK changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPEALING THE TAXES ON OLEO-MARGARINE

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 4, 1950.)

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-three Members are present, not a quorum.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Allen, La.	Gilmer	Norrell
Anderson, Calif.	Golden	Norton
Bailey	Granger	Pfeiffer,
Barrett, Pa.	Gross	William L.
Bentsen	Gwinn	Philbin
Bolton, Md.	Hall,	Plumley
Brown, Ohio	Leonard W.	Powell
Bulwinkle	Hand	Reed, N. Y.
Byrne, N. Y.	Hart	Rogers, Fla.
Celler	Hays, Ark.	Sadowski
Chatham	Hedrick	Sasser
Chesney	Herter	Smathers
Chiperfield	Hoffman, Ill.	Smith, Ohio
Clemente	Hoffman, Mich.	Stanley
Colmer	Holifield	Stigler
Coudert	Jennings	Taylor
Davies, N. Y.	Kearney	Teague
Deane	Kilday	Thomas
Donohue	Kirwan	Vinson
Douglas	Larcade	Wadsworth
Eaton	LeFevre	Whitaker
Ellsworth	Magee	White, Calif.
Engle, Calif.	Martin, Mass.	White, Idaho
Feighan	Meyer	Withrow
Fernandez	Morrison	Woodhouse
Fisher	Murphy	

The SPEAKER. On this roll call 351 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REPEALING THE TAXES ON OLEOMARGARINE

Mr. COOLEY. Mr. Speaker, I am delighted to present this conference report on the oleomargarine bill. I am certain that all of us are delighted that we are now coming to the end of this great and dramatic fight which has been going on in Congress for more than 60 years.

Everyone now seems to generally agree that the tax on oleomargarine should be repealed.

After many hours of trying to compose differences, the conferees finally reached agreement. The bill finally agreed upon is substantially the same as that which passed the House. It is, of course, not identical with the House bill, but the important provisions contained in the House bill are in substantially the same form as they were when they were accepted by the House. The statement has just been read in lieu of the report, and I shall not attempt to discuss the differences involved in the two bills which were considered in conference.

I am aware of the fact that many Members of the House have received telegrams to the general effect that this conference report has buried in its provisions a sleeper—the telegrams which have been received by Members warn them to watch out for this nefarious sleeper—this sinister and subtle effort on the part of members of the conference committee to mislead and deceive Members in the hope that they will adopt the report without knowing or understanding fully its provisions and purposes. Mr. Speaker, the members of the House Committee on Agriculture have never brought to the floor of this House either a bill or a report which contains any sort of a sleeper. If by the word "sleeper" we are to understand that it is a provision slipped into a measure or by subtle trick inserted into a measure for the purpose of deceiving Members of Congress, it is not our purpose now and never has been to deceive or to make an effort to deceive or to perpetrate a fraud upon our colleagues or upon anyone else. If the word "sleeper" has the meaning of evil action, as we understand it does, then every Member of Congress who has received such a telegram, with such an unholy implication should resent the reflection upon the Members of this House who represented you in conference. Mr. Speaker, I am speaking about the provision of this bill which amends the penalty section of the Federal Trade Commission Act. This bill, which has been known and designated as the oleomargarine bill, amends three separate and distinct organic laws. One section of it deals with the Internal Revenue law; other provisions deal with the Pure Food, Drug, and Cosmetics Act; and still other provisions deal with the Federal Trade Commission Act. The oleomargarine bill amends the Federal Trade Commission Act in more than one respect. The provision which is referred to as "the sleeper," with all the vile implications of that word, is directed at the provision which amends the penalty

section of the Federal Trade Commission Act. Now let us see what is sinister or subtle or harsh or evil or unholy about this provision which deals with penalties. I am at a loss to understand how any intelligent person could be so foolish as to suggest that this provision is a sleeper and something about which the membership of this House should be warned. It is true it was not in the House bill, but it was an amendment offered and adopted in the United States Senate. It was approved by Members of the Senate in the exercise of their own rights and privileges. This Senate act, if it can be called such, was committed or perpetrated in the broad, open daylight, and, I assume, after free and full debate. These telegrams which have been sent to members are well calculated to indicate that the conferees in star-chamber session and with evil intentions inserted into this conference report something which was neither contained in the House bill nor in the Senate bill. This just is not true.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. MICHENER. I have not received any of those telegrams, but I have been concerned about this subsection (c) in section 4 as outlined in the conference report. My concern is not that it is a sleeper, because it seems to me plain that if it was in the Senate bill it, of course, would be legitimate conference material—no question about it—but that this amends the general provisions of the Federal Trade Commission Act.

The House Committee on the Judiciary has jurisdiction over that law. A subcommittee of the Committee on the Judiciary has been making a careful study of this very subject of changing and increasing these penalties. I cannot understand why, without the benefit of any hearings on this particular provision. This is Nation-wide and of vast importance to every business in the country, big and little, the Federal Trade Commission Act should be substantially amended in this most important particular by simply having an oleo bill amend the law.

This proposed amendment to the Federal Trade Commission Act is subject to the following objections:

First. There has been no demonstrated need for such unusual authority;

Second. There have been no hearings of any kind on the proposal;

Third. It has never been considered by the proper committee of the Congress;

Fourth. It violates the spirit of the Reorganization Act in that it amends basic statutes by means of a rider which is not germane to the main purposes of the legislation;

Fifth. It is not offered in good faith by its supporters, since its primary purpose is to get Members of this House to vote against the oleomargarine bill.

I have no intention of going into the pros and cons of butter versus oleomargarine.

But I do object, and strenuously, to this attempt to amend the organic act

of the Federal Trade Commission without any consideration as to the final effect of such legislation.

This is no way to legislate.

I shall, therefore, vote against this conference report. This is without reference to the difference in opinion in reference to the oleo controversy.

Mr. COOLEY. I might say to my friends that the Senators of the United States do a lot of things that I cannot understand. I cannot understand why they did it, but they did. I do not see anything objectionable about it. It is my recollection that the amendment was offered by Senator McCARTHY, of Wisconsin, and amended by an amendment offered by Senator AIKEN, of Vermont.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CURTIS. Is it the gentleman's understanding that this amendment to the Federal Trade Commission Act is general in nature or is it limited to matters pertaining to oleomargarine?

Mr. COOLEY. It is general. It is an amendment to the penalty section of the Federal Trade Commission Act. In substance it makes it comply with the penalty section of the Commodity Exchange Act which incidentally is even more harsh than this. The Commodity Exchange Act provides a minimum fine of not less than \$500 nor more than \$10,000 or imprisonment for not less than 6 months nor more than 1 year. And each day during which such violation or refusal to obey such order continues shall be deemed a separate offense. That is in the Commodity Exchange Act.

In connection with this amendment to the penalty section, I desire to call your attention to a letter which I have just received from Mr. Joseph S. Wright, Chief, Division of Compliance, of the Federal Trade Commission:

FEDERAL TRADE COMMISSION,
Washington, March 7, 1950.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN COOLEY: I am enclosing herewith copy of a letter sent to Senator FULBRIGHT today on the subject of the amendment to the penalty provision of the Federal Trade Commission Act which appears in H. R. 2023.

The only new feature in this language is that which will permit the court, in its discretion, to impose a daily penalty for a single act or course of action extending over a period of time and in violation of a final order of the Federal Trade Commission. This is a common statutory provision. The Packers and Stockyards Act contains several similar provisions, which have been on the books since 1921. One provision of that act (7 U. S. C., sec. 195 (3)), provides for a penalty of not less than \$500 nor more than \$10,000 and imprisonment for not less than 6 months nor more than 5 years, and states that each day shall be deemed a separate offense. There are provisions in the Federal Trade Commission Act and in the Wool Products Labeling Act requiring mandatory penalties of \$100 per day for failure to obey orders requiring filing of reports; and there are provisions in the Interstate Commerce Act requiring the imposition of mandatory penalties of \$500 per day for failure to obey orders requiring the filing of reports.

Furthermore, the penalty provision in section 5 of the Federal Trade Commission Act, which H. R. 2023 amends, is a maximum penalty, entirely within the discretion of the United States district courts, and there is no minimum penalty whatsoever. The court is not obligated to impose the maximum penalty or any part of it, and in fact in only one case in the past 12 years has the maximum penalty of \$5,000 for each violation ever been imposed. It has been the Commission's experience that the usual penalty imposed by the courts will run from less than \$50 to around \$1,000 per violation.

Sincerely yours,

JOSEPH S. WRIGHT,
Chief, Division of Compliance.

We are amending not only the penalty section of the Federal Trade Commission Act, but also the labeling section of the act. I also desire to call attention to a letter addressed to Senator J. WILLIAM FULBRIGHT, dated March 7, 1950, and signed by W. T. Kelley, general counsel, Federal Trade Commission:

MARCH 7, 1950.

Hon. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: You requested some comments from me regarding the scope and interpretation of the language in H. R. 2023 amending section 5 (1) of the Federal Trade Commission Act by providing that in the case of violation of a final order to cease and desist through continuing failure or neglect to obey the order, each day of such continuance shall be deemed a separate offense.

To provide a background I will briefly describe provisions of the present statute. When the Federal Trade Commission has reason to believe that any person has violated section 5 of its act by engaging in an unfair method of competition or an unfair or deceptive act or practice in commerce, it issues a formal complaint stating its charges. After a hearing and the taking of testimony on any controverted issues of fact, the commission makes a decision on the record and issues findings of fact and an order requiring the parties to cease and desist from whatever violations of law are disclosed by the record. Any party subject to such an order may file a petition for review of the proceeding in the court of appeals. These orders become final upon affirmance in the courts or after 60 days from date of service if no petition for court review has been filed. After the order has become final, the parties become subject to a civil penalty of not more than \$5,000 for each violation, recoverable in a suit by the United States.

Nothing in H. R. 2023 changes the above provisions in any way. The new language simply provides that in those infrequent cases where the violation is a single act or course of conduct continuing over a period of time the government is not limited to a maximum penalty of \$5,000, and may seek a daily penalty.

Under existing law, a party subject to a Commission order requiring the abandonment of certain false advertising claims would be subject to a penalty of up to \$5,000 for each false advertisement in violation of such an order. There are instances involving a great many violations of such an order, each a separate offense, and where the maximum penalty would run into millions of dollars. The Commission has never recommended to the Attorney General, and the Attorney General has never sued for any such astronomical sums, and it is inconceivable to me that any Federal court would impose penalties under this section which are not reasonably related both to the seriousness of the offense charged and the size and resources of the defendant.

The language in H. R. 2023 is, of course, of general application and would apply to all orders to cease and desist under the Federal Trade Commission Act, not just those involving oleomargarine. It would apply, as I see it, only to those instances where a continued course of conduct constituted but a single violation of the order. For instance, if an advertiser of oleomargarine, or of butter, for that matter, subject to an order against false advertising were to embark on a campaign of radio advertising in violation of the order, each separate dissemination of the false claim in violation of the order would still constitute a separate violation. But if such advertiser were to place a billboard or a large electric sign in a prominent place and leave it over a period of time in violation of the order, this would constitute a continuing failure or neglect to obey the order, and, under the proposed new penalty, the Government would not be limited to a \$5,000 penalty for a single offense.

The principal value of the amendment to the Commission would be in the field of price fixing and continuing conspiracies in restraint of trade. The courts have held in numerous cases that a continuing conspiracy is but a single offense. The Commission has hundreds of orders to cease and desist under section 5 of the Federal Trade Commission Act against conspiring and combining to fix prices or control production. These orders involve many of the country's basic industries. In cases of violation of such orders through a continuing conspiracy to fix prices or control production, the language of H. R. 2023 would permit, but not require, the Federal courts to impose penalties commensurate with the offense and more reasonably related to the advantages accruing to the defendants from the violation.

The Commission has orders against continuing price fixing conspiracies involving entire basic industries such as cement, salt, electrical equipment, and various iron and steel products. The continuance of such practices in violation of Commission orders could result in injury to the public running into millions of dollars annually, and under existing law the maximum penalty is limited to \$5,000.

The language is not novel, and there are many precedents in other statutes, particularly section 314 (a) of the Packers and Stockyards Act of 1921.

Sincerely yours,

W. T. KELLEY,
General Counsel.

But for this penalty provision a large corporation violating the law wilfully and deliberately by placing highway signs along all of the highways for the purpose of misleading the public could only be subjected to a maximum fine of \$5,000 which it might gladly pay and the Commission and the courts would be without authority to make them take down or remove the signs and stop the fraud which might be perpetrated on the public.

As the gentleman pointed out a moment ago, the Federal Trade Commission has recommended to the gentleman's committee that the law be amended in the respect indicated.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MICHENER. Then the fact to which we should give consideration—and I believe in adequate penalties—is the effect of the amendment proposed by the conference report on H. R. 2023, which would be to make each day of continuing failure or neglect to obey the FTC order a separate offense with a pen-

alty of \$5,000. Thus, if there should be a 90-day failure or neglect in obeying the FTC cease-and-desist order, a civil penalty of \$450,000 would accrue, and a 6-month delay would mean \$900,000. No one wants anything like that, but that would happen.

Mr. COOLEY. May I say to the gentleman that I, for one, have no fear of that provision. Here is the situation: I think there has been some confusion about this. This penalty only applies in the event of a final order and not to any interlocutory order or decree which might be issued by the Commission. It only applies after the citizens or the corporation has appeared before the Commission and been convicted. They still have the right of appeal to the courts. If they do not appeal, then the interlocutory order becomes final and the penalty could apply. If an appeal is taken, the matter would go into the courts and the penalty would not apply. The order of the Commission is suspended pending the appeal. Only when the final order is entered following the judgment of the court is this penalty applied.

Then, I say, if anybody, after having been heard by the Commission, and after having their day in court, is adjudged in violation of the law, they ought not to object to being subjected to penalty for a separate offense for each day's violation; otherwise there would be no way of enforcing the orders of the court in such cases.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. O'HARA of Minnesota. The Committee on Interstate and Foreign Commerce deals legislatively with both the Federal Trade Commission and the Federal Food and Drug Act.

In connection with subsections (d) and (e) of the report, reference is made to including penalties for impure margarine, mislabeling, and that sort of thing. What are the penalties which would be included in that addenda to the report? Those would be criminal penalties.

The SPEAKER. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Speaker, I yield myself three additional minutes.

The penalties that I read a moment ago from the Commodity Exchange Act and the Packers and Stockyards Act are penalties that carry with them imprisonment. This penalty from nothing up to \$5,000, even if a man had a 90-day violation he might still be fined only \$10 or \$50 or \$150, as the judge in his discretion might deem proper punishment.

Mr. O'HARA of Minnesota. With reference to the Food and Drug Act, it is a much smaller penalty and does not include imprisonment.

Mr. COOLEY. I am not certain.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. The Food and Drug Act contains these penalties: Imprisonment for not more than 1 year, and a fine of not more than \$1,000, or both such imprisonment and fine.

Mr. COOLEY. That does carry with it imprisonment, which is a more severe penalty, because in the Federal Trade Commission Act it carries no imprisonment.

Mr. REDDEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REDDEN. I have not received any of the telegrams that the gentleman referred to, but I am sure no one who knows the committee that composed this conference committee would make any charge against it. However, I do want to say that I agree with the gentleman from Michigan in his interpretation of this section, that it does mean the general Federal Trade Commission Act on subjects not related to the purposes of this bill. In other words, this amendment is general, and covers all subjects over which the Federal Trade Commission has jurisdiction, and an order which they might issue will be effective against any violation of the Federal Trade Act, whether it pertains to oleomargarine or not.

Mr. COOLEY. The gentleman evidently did not hear my opening statement. I made that statement in the very opening of my remarks. There is nothing ambiguous about this language nor anything ambiguous about the purpose of it. Your understanding is entirely correct. The Senate of the United States, in the exercise of its own prerogatives, saw fit to amend the Federal Trade Commission Act. In conference we did agree to this provision. I did offer to call the conferees back together if the House conferees wanted to strike it out. It was put in there by those who are interested in the welfare of the butter people in the country. No one apparently wanted to take it out.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HALLECK. I appreciate the fair attitude of the chairman of the Committee on Agriculture. Of course, inasmuch as this language was written in by the other body, no one could call it a sleeper, properly. However, I must insist, speaking for myself, that since Federal Trade Commission legislation is properly before the Interstate and Foreign Commerce Committee, and since that is the committee that deals with legislation, it does seem to me that to attempt to legislate in this manner in connection with the matter which is presently before us, which comes from the Committee on Agriculture, sets a bad precedent. I do not care whether it is put in by the other body or here.

Mr. COOLEY. The gentleman knows it was not put in in this body, and it was not put in by my committee.

Mr. HALLECK. I understand. The only regret I express is that the House conferees did not insist on its being taken out, because the language of the statute made to apply generally is a matter of tremendous concern to small-business people all over the country. The Federal Trade Commission Act has to do primarily with unfair-trade practices. I am quite convinced this penalty could work

severe hardships in many instances. For myself, I regret that we have it in this conference report.

Mr. COOLEY. I do not agree that it will work a hardship, but I do agree that the matter may properly hereafter be considered by the proper committee.

The SPEAKER. The time of the gentleman from North Carolina has expired.

(Mr. COOLEY asked and was given permission to revise and extend his remarks and to include certain communications.)

Mr. MICHENER. Mr. Speaker, I ask unanimous consent, with the permission of the chairman of the committee, to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker—

Mr. SHORT. Mr. Speaker, will the gentleman yield briefly before he begins his statement?

Mr. AUGUST H. ANDRESEN. I shall be pleased to yield to the distinguished gentleman from Missouri.

Mr. SHORT. I know nothing about the so-called sleeper provision put in the conference report by the other body, but I can appreciate the apprehension of some Members of this body, because they lost their pants in a sleeper during this past year.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I am a member of the conference committee. I did not sign the report. I am opposed to the whole bill, including the sleeper to which some gentlemen have referred. The report should be defeated, but I believe we ought to have a little explanation of the report.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COOLEY. The gentleman said he was opposed to the sleeper.

Mr. AUGUST H. ANDRESEN. No.

Mr. COOLEY. The gentleman has reference to that provision I have just discussed.

Mr. AUGUST H. ANDRESEN. I am opposed to the whole conference report.

Mr. COOLEY. But the gentleman does not want to refer to that provision as a sleeper, does he?

Mr. AUGUST H. ANDRESEN. I believe, if the gentleman will look up my remarks, he will find I referred to the sleeper which some of the gentlemen have referred to. Certainly, it is not a sleeper, because it was put into the bill in the other body, and it has been in there for at least 3 weeks. Everybody has had a chance to study it, and they know it is all-inclusive and takes in every violation of the Federal Trade Commission law.

Mr. COOLEY. Mr. Speaker, will the gentleman yield for one further question?

Mr. AUGUST H. ANDRESEN. Certainly.

Mr. COOLEY. Has the gentleman made any effort heretofore to take it

out? On the other hand, has not the gentleman insisted that it remain in the bill?

Mr. AUGUST H. ANDRESEN. I have insisted on nothing of the sort.

Mr. COOLEY. What?

Mr. AUGUST H. ANDRESEN. I have insisted on nothing of the sort; as a matter of fact, the gentleman knows that the conference committee gave very little if any discussion to this provision, because the gentlemen who represent the oleo viewpoint were more interested in getting rid of the triangular package and some other things than they were in removing the penalties.

Mr. COOLEY. Just one further question.

Mr. AUGUST H. ANDRESEN. One only, for my time is running.

Mr. COOLEY. Did not the chairman of the House conferees offer to call the committee back together if the gentleman from Minnesota wanted this provision out?

Mr. AUGUST H. ANDRESEN. Does the gentleman from North Carolina want me to explain why he called the committee together?

Mr. COOLEY. No; I do not want the gentleman to explain anything at all.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I cannot yield further if the gentleman wants me to explain that. If I have time, I certainly will.

Mr. Speaker, let me point out one or two things that this conference report requires. No. 1 is that when oleo is served in public eating places, first there must be notice in a public eating place or restaurant; secondly, it must be on the menu; third, the individual servings of oleo must be identified as oleomargarine, or it must be served in triangular shapes. Those requirements are for public eating places.

Then on the label of the 1-pound package in which oleomargarine is sold at retail the label must contain a statement of every ingredient. The outside label of the package of oleomargarine must show on the label separately that the oleo or margarine is made from cottonseed oil, peanut oil, soybean oil, fish oil, butter flavor, skim milk, salt preservatives, and color. That must be specifically stated on the label so that everyone will know each of the ingredients and kinds of vegetable oil used in the manufacture of oleomargarine or margarine.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. KEEFE. Did the conference discussion indicate what was meant by the language which appears on page 5 of the report, which reads:

In addition, each separate serving either must bear or be accompanied by labeling identifying the colored fat as oleomargarine—

And so forth.

Mr. AUGUST H. ANDRESEN. That is what I have mentioned.

Mr. KEEFE. Does that mean each little individual patty of oleomargarine served to an individual customer must be wrapped and labeled?

Mr. AUGUST H. ANDRESEN. Not necessarily.

Mr. KEEFE. What does it mean?

Mr. AUGUST H. ANDRESEN. There must be a notice or identification with each serving to identify it as oleo or margarine.

Outside of those two restrictions the oleomargarine industry has won a complete victory. The Senate put in an amendment in its bill that required that all packages of oleomargarine sold at retail should be in triangular packages. The House conferees did not go along with that. That is, the majority of the conferees on the Democratic side did not go along with that provision, and it was thrown out. So I say to you that the oleomargarine industry has gained a complete victory in this legislation.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Would not the gentleman rather say that the Democratic administration has won a complete victory?

Mr. AUGUST H. ANDRESEN. I think that is an accurate statement, and I hope to mention something about that.

The approval of this report puts the finishing touch on legislation sponsored by the Democratic Party to legalize the unrestricted sale of yellow-colored oleomargarine in imitation of butter. It means the rapid liquidation of hundreds of thousands of small dairy farmers who produce the milk for butter and other processed dairy products. These people do not sell their milk as fluid milk. They can only dispose of their milk for butter, cheese, and other processed dairy products. They will lose their market if oleomargarine takes over the major portion of the demand for a spread. Some may say that it will not affect the dairy farmers at all, but what has happened in the last 10 years?

Butter consumption has gone from 17 pounds per capita in this country down to 10½ pounds, while during the same period oleomargarine consumption has gone from 2 pounds up to nearly 7 pounds. So the dairy farmers, and there are 2½ million of them, will gradually lose their market, and they will have to liquidate their herds in this country. You cannot get away from it. Maybe some day the people will wake up that they are eating a synthetic product made from vegetables to which they may be allergic. One reason why we insisted they put each one of these oils to be shown on the label was because of the fact a good many people are allergic to different oils and they should therefore know what the ingredients in oleomargarine are; therefore, the requirement which cannot be set aside by either the Pure Food and Drug Administration or any other agency which provides the printing of each separate ingredient be shown on the label so that there can be no misunderstanding about that.

Mr. Speaker, we have been up against a terrific oleo lobby in this fight. I have been here a good many years, and I have never seen such a clever, highly financed lobby in my days as we have had in this oleomargarine fight.

They have not appeared in the open. They have been hiding behind the house-

wives. The oleo lobby has been hiding behind the housewives of this country and using the club women from the various clubs and housewives to put over this drive to legalize a synthetic product to imitate butter and to sell it openly in order to displace a product which is the livelihood of 2,500,000 dairy farmers in this country. We could not even get one man from the oleo industry to appear before our committee.

There are only 28 large manufacturers of oleomargarine in this country, and 5 of them make 75 percent of the oleomargarine consumed in the United States. I was looking up what these five made last year and in 1948. You know, these companies made over \$70,000,000 net profit after taxes in 1948 and about the same amount in 1949. I mention that because those who are supporting the oleo industry on this floor should know that they are casting 2,500,000 small-dairy farmers down the stream and giving their support to increase the profits of the oleomargarine trust.

Now, we also have Lever Bros. in the oleo business. I could not find out how much Lever Bros. made. They do not publish their statement. Their stockholders are all in England, so they do not publish their earnings. But, Mr. Luckman, who was with them several years and just got fired when he took on the Jackson Day dinner a short time ago, we are advised, has ordered the construction of two \$25,000,000 oleo factories, one in California and one on the east coast. This company is preparing to take over the market in the United States for oleomargarine, and the chances are they will, because this country is helping to finance them with some of the taxpayers' money in some of the countries in the rest of the world. This Lever Bros. Co. produces 75 percent of the oleomargarine that is consumed in the entire world. So it is only natural that they want to become a leader in the United States market.

But the people here today who are supporting the oleo trust will well remember this: They are helping to liquidate 2,500,000 small-dairy farmers who provide the milk from their dairy herds to supply you with good, wholesome, natural dairy products.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Will my colleague advise the House what provision there is in the proposed report which will advise the public, when they go into a restaurant or hotel, whether they are eating butter or oleo?

Mr. AUGUST H. ANDRESEN. Well, at the present moment, take the District of Columbia. We have a law here that requires a sign to be posted, with certain sized letters on it, to show people that they are eating oleomargarine. That law is not enforced. Those of you who eat in the restaurants around the Capitol will find that 75 percent of the restaurants in Washington today are serving oleomargarine, colored oleomargarine, as butter. There is a provision in the report that requires oleo

to be served in triangular shape when it is served in a public eating place, and also to have it on the menu and a sign in the restaurant.

We have heard a great deal about the Brannan plan, but what has the Secretary of Agriculture done to help stop this liquidation of 2,500,000 small dairy farmers? He has not uttered one word to help them in this fight with the oleomargarine industry. Does he want to liquidate them? Surely, the Brannan plan will not help them in any manner, if they are put out of business. Of course, I recognize that the Democratic Party and President Truman have lined up with the oleomargarine trust, and that is the reason why the Democratic leadership has sponsored this oleo legislation which will be detrimental to hundreds of thousands of small dairy farmers in the country. The Democratic Party has made this oleo bill its No. 1 legislative proposal in the Eighty-first Congress. President Truman, the Speaker, and other Democratic leaders say, "We Democrats won the election in 1948," but they now forget that they won the election with the aid of many farmers of the North. I can assure our Democratic oleo friends that the dairy farmers will not forget what has happened here today. But why this silence on the part of Secretary Brannan? Is he for the farmer who operates a small family-sized farm, or does he only represent the large commercial farmers in this country?

Today is quite significant. Today is March 7. Just 11 months ago today, Mr. Brannan submitted his much publicized plan to the Committees on Agriculture of both Houses. Up to this time he has not advised us how much it is going to cost. As a matter of fact, instead of coming in to help the small dairy farmers of this country he has spent most of his time in the past 11 months going over the country playing politics with the welfare of American agriculture, and is still fighting for a plan that will reduce our farmers to regimentation and slavery, and make them dependent upon the Federal Government for a substantial portion of their income, if they are able to produce.

I hope this conference report will be voted down.

If the Members of the House want to help the economy of our country, you should vote against this conference report and for the welfare of 2,500,000 dairy farmers. They are American citizens who contribute much to the welfare of our economy. They should have your wholehearted support today.

[Mr. RIVERS addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. MURRAY of Wisconsin addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

(Mr. O'SULLIVAN asked and was given permission to revise and extend his remarks.)

Mr. O'SULLIVAN. Mr. Speaker, I eat butter, but I confess that I do not look like a million dollars, as the gentleman from South Carolina, Representative RIVERS, claims he does, and that I do not know how to milk the housewife, as my good friend, the gentleman from South Carolina [Mr. RIVERS] has suggested butter supporters do. Nevertheless, I want to talk to you anyway about why you should disapprove this conference report.

It is unfortunate that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] could not refrain from dragging the Brannan plan, red-herring-like, across the path of this debate, because I am for the Brannan plan, and I think that it is the only solution of the present-day farm problems. I believe that if it were adopted, not a Republican would be elected for the next 50 years, and that this is why Republicans so wildly oppose it.

As a member of the Committee on Agriculture, I regret very much to disagree with my worthy chairman today, but I feel that I am obliged to do so for what I think are the following very proper reasons:

Omaha, Nebr., is in my congressional district, and is my home town, and it is the second largest butter-producing city in the world. It is the outlet for milk and cream of many dairy farmers located in the surrounding countryside.

When this bill H. R. 2023 was before the House I opposed its passage, and today I oppose the adoption of the conference report relating to same.

This bill does a great injustice to the butter industry of Omaha and the Nation and will eventually do a great injustice also to the dairy farmer, because it permits the oleomargarine and margarine interests to appropriate the butter color, golden yellow. It also permits the perpetration of great frauds upon butter users in spite of the triangular pat which is required when margarine or oleomargarine is sold through retailers, and also in spite of all of the other marking and signs and labels.

As I understand, human law has for its general objective not absolute justice but the doing of the greatest good to the greatest number and the prevention, not the multiplying, of the possibility of the perpetration of fraud upon the people. This bill does not measure up to proper legislative standards, as I view it, as I have pointed out heretofore in two instances.

Also, the 1948 platform of the Democratic Party relating to oleomargarine or margarine calls merely for a repealing of the taxes upon this product so as to give it equality in the market place, but does not bind me or any other Democrat to help to raid and gather to itself the butter makers' right to the color golden yellow, a right which has been enjoyed by them during three of the four seasons of every year since time immemorial. Also, the Democratic platform promises in substance to accord to agriculture not only its rights but also such aid and help as it may need. How can a Democrat keep these promises by giving England's Lever Bros. and others of their ilk such

an unjust and such an unfair advantage over American butter? I believe that we are doing enough for England et al., and good old Lever Bros. by repealing the taxes on oleomargarine or margarine and also letting them gather to themselves the gold of our land without giving their biggest and most odious financial giant the right to use freely the golden yellow color of our butter to the great harm and detriment of our American butter industry, and also to a large section of our agriculture, the dairy farmers.

The bill as it now stands would also put on the Federal pay roll a great army of snoopers and raiders and searchers, some say 1,500 at least, at an estimate cost of four and one-half million dollars a year.

I urge those who claim to be friends of the American butter industry and of the dairy farmers of the Nation to vote against this conference report.

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. O'HARA].

(Mr. O'HARA of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Minnesota. Mr. Speaker, it certainly is a matter of deep personal regret to me that we have reached the point where I am afraid this legislation is about to become law. Let me say that in my term of service here I have tried to understand the sectional problems, whether it be those of cotton, peanuts, tobacco, or any legislation affecting any group or individual. I would very much dislike to see any legislation pass which would affect as adversely as this bill will affect the dairy industry of this country, and my State and community particularly.

It is my belief, in connection with the colloquy which arose over the penalty features of this bill both with regard to the Pure Food and Drug Act and Federal Trade Commission Act, that those provisions are sound legislation. The committee, as far as these provisions are concerned, has been up against the proposition of having to deal actually with three committees, the Committee on Interstate and Foreign Commerce in the matter of the Pure Food and Drug Act, and the Federal Trade Commission Act; and it has had to deal with the Committee on Ways and Means in the matter of taxation and of course the Agriculture Committee. It is my opinion, therefore, that those penalty provisions are certainly in accord with the other provisions as to advertising and as to protection of the public health by protection against filthy and unclean foods. It certainly is consistent with the provisions of the Pure Food and Drug Act relating to labeling also. The penalties with reference to the Federal Trade Commission as I recall generally occur after the cease-and-desist order has been made and there has been a continued violation or refusal to abide after a stay has been granted in the cease-and-desist order of the Federal Trade Commission. So there is nothing in this bill I am more favorable

to than I am those provisions because I think they are sound and right provisions.

But I am against this legislation which legalizes fraud and deception. I cannot see the throats of our American dairy farmers being cut by any type of legislation and no matter how you dress it up I could not vote for the conference report. I shall vote against it. But if we are going to have the law I am certainly a thousand percent in favor of the provisions, the protective penal provisions, which have been put in here.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman referred to the penalty provisions. They were inserted by the advocates of the dairy interests and they go toward protecting the dairy interests; is that not so?

Mr. O'HARA of Minnesota. They protect the entire public, may I say to the gentleman, not the dairy interests.

Mr. WHITTINGTON. Including the dairy interests.

Mr. O'HARA of Minnesota. I would be glad to include "in the dairy interests."

Mr. COOLEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Speaker, when this legislation left the House it had my name on it as the author. That was the only good thing about it. In my opinion, the only justification there can be for the bill that I introduced and the bill we have before us now is whether or not it is in the interest of the country. I have never contended, and you have never heard me contend, that oleomargarine is a bad product. I do not think it is. But I do think that it strikes at the very heart of the dairy industry and strikes at the economy of the country, and if it cannot be justified on those grounds I do not think you can justify it at all.

So, as far as I am concerned, Mr. Speaker, I am not for this bill and I am not for the conference report. I want to deny also that I am the author, or have a right, interest, or title in any word, comma, or period in this bill. I am just opposed to it.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, regardless of what is said in favor of this oleo bill the facts are that it strikes a terrific blow at the dairy industry, the most important industry in America, the effects of which will mean less soil building, less farm income, and a reduced standard of living and health for millions of Americans.

Mr. Speaker, should not the party in power, nationally, be satisfied to commit us to national suicide through the bankruptcy route, without also deliberately and in effect killing off our dairy cows, "the foster mother of man," which this oleo bill would do? This oleo conference report should, for the sake of the

future welfare of all our people, be killed and thrown in the ashcan where it belongs.

Now, listen to the words of the dairy industry committee:

THE TOP 6 INCHES OUR GREATEST NATURAL RESOURCE

It has been wisely stated that the wealth and health of this world lies on the top 6 inches of its surface. Conservation of this top 6 inches is a problem of maximum importance to every nation in order that its people and their posterity may be well nourished or even survive.

The United States, and, more recently, other countries are spending hundreds of millions of dollars every year to prevent this 6 inches from being washed or blown away. However, if the greater part of this 6 inches of soil is kept in grass or forests, this problem is virtually solved.

Although the products of grassland, in their natural state, cannot be used as human food, the dairy cow can convert these products into the most valuable food nutrients that man has known. There is nothing to compare with the dairy cow from the standpoint of efficiency in turning inedible forage crops into the food nutrients, particularly proteins, needed and desired by the human race. Thus it will be seen that a major contribution to the economy of our country is made by the dairy cow nourishing the nation while maintaining the top 6 inches of our soil. This is of prime importance to the health and prosperity of our country.

MILK IN THE AMERICAN HOME

The housewife spends about 15 cents of every dollar of her food budget for milk or its products. For this 15 percent of her food money she gets about one-third of all she feeds her family. And in this one-third she provides her family with three-fourths of its calcium, one-half of its riboflavin, and very substantial quantities of every other nutrient recognized by scientists as vital to human development.

As a source of these vital nutrients, dairy products are undeniably leaders among the food groups. They—

Rank first as a source of calcium, supplying 75 percent. This nutrient builds bones and teeth.

Rank first as a source of riboflavin, supplying 50 percent. This nutrient aids metabolism and aids in avoiding eye difficulties.

Rank third as a source of protein, supplying 25 percent. This is the tissue-building nutrient.

Rank third as a source of fat, supplying 20 percent. This supplies energy.

Rank third as source of vitamin A, supplying 12 percent. This nutrient aids in destroying disease bacteria and avoiding respiratory difficulties.

Rank third as a source of thiamine, supplying 10 percent. This vitamin stimulates growth.

Rank fifth as a source of ascorbic acid, supplying 6 percent. This nutrient prevents scurvy and anemia.

Rank sixth as a source of niacin, supplying 3 percent. This vitamin prevents pellagra and skin diseases.

Rank ninth as a source of iron, supplying 3 percent. This is the blood building element of food.

Special attention should be drawn to milk as a source of protein. While it is an important source of all protein consumed, it is vastly more important as a source of the essential amino acids which make up the structural units of protein. Research has shown that these essential amino acids must be consumed simultaneously in order to be effective for building tissue. Milk and milk products are a complete source of these amino acids, along with meat and eggs. Of the proteins containing all of the essential amino acids,

milk and its products comprise almost half, and are the largest single source of these vital food elements.

The above figures and comments relate to the place which milk occupies as a supplier of all nutrients consumed in food. Let's look at milk as a supplier of what nutritionists deem to be the minimum daily requirement of the various nutriment. Looking at it from this point of view, we find that one quart of milk per day would supply the human body with 143 percent of the minimum requirement of calcium, 88 percent of the minimum requirement of riboflavin, 76 percent of the minimum requirement of phosphorus, 49 percent of the minimum requirement of protein, 30 percent of the minimum requirement of vitamin A, 23 percent of the minimum requirement of thiamine, 13 percent of the minimum requirement of vitamin C, 4 percent of the minimum requirement of niacin and 4 percent of the minimum requirement of iron.

DAIRYING IS AN ECONOMIC NECESSITY

The products of the dairy cow, including meat, rank first as a source of all farm cash income. In addition to milk and its products, the dairy cow produces about 40 percent of the beef and 60 percent of the veal eaten by the American people.

The dairy cow contributes about \$10,000,000,000 to our national commerce. The dairy cow provides about 10,000,000 persons with their livelihood. This includes production, processing, and distribution of milk and milk products as well as the various service and manufacturing endeavors connected with the dairy industry.

About 2,500,000 farms depend upon the receipts from dairy products as a major source of income.

DAIRYING IS AN ATTRACTIVE AND STABLE FARM ENTERPRISE

Income from the dairy cow has fluctuated less than our national income, and for the past 25 years, during boom and depression, drought and plenty, the index of dairy-product prices has been very much more stable than the index of prices of all farm products, excluding dairy products. During the last depression, when net incomes from grains and other livestock were entirely wiped out, the dairy cow proved the salvation of many a farm family.

The comparative prosperity of dairy farms is indicated in many ways. Those States enjoying the highest rural living standards—most education, best houses, most autos and radios, etc.—are dairy States. Those States whose farms have the highest value of product per acre are dairy States. Almost 90 percent of all United States dairy farms in 1945 have a value of product over \$1,000. The percentage of all classified farms with a product value of more than \$1,000 in 1945 was about 60 percent.

In 1940 dairy States had an average value of product per farm of \$1,867. The average for the United States as a whole was \$1,275. Dairy States in 1940 had an average rural level of living index of 129. The United States was 100. Fifty percent of the country's dairy farms had running water in 1940. For all farms only 17 percent had running water. In 1940 over 65 percent of United States dairy farms had electric lighting. Of all United States farms only 30 percent had electricity.

DAIRY FARMING: A CONSERVATION MEASURE

Dr. H. H. Bennett, Chief of the United States Soil Conservation Service has stated: "Few, if any, other kinds of farms respond more promptly and satisfactorily to soil and water conservation, cropping and pasture management measures than does dairy farming." According to the 1945 census less than 10 percent of the United States was in feed crops. The Conservation Service has stated that a proper conservation program calls for about 30 percent of the land being used for

hay or pasture. The dairy cow can efficiently convert the crops on these pasture lands to the most nutritious foods.

O. E. Reed, Chief of the Bureau of Dairy Industry, USDA, says: "No farmer has a better opportunity to keep his farm land in a high state of fertility and productiveness than the man who markets his crop through good dairy cows." In recent years there has been a tendency to divert much natural pasture area to row crops. In addition many parts of the country have depleted the soil fertility by constant cropping without fertility replacement. This has resulted in enormous expenditures to lessen soil erosion by wind and water in an effort to build up some of the depleted areas.

Mere soil conservation is not enough for America. We must actually increase the productivity of our land. If we don't do this there is no chance in the future of maintaining our present dietary standards, much less of improving them.

Recently Prof. C. H. Shepardson, dean of agriculture, Texas A. & M. College, testified before the House Committee on Agriculture, and stated: "Thirty years ago the people of Texas were becoming increasingly aware of the evil effects of the long-continued one crop agriculture. Soils were eroding and wearing out. Yields were dropping, buildings were falling into disrepair and Texas, together with the cotton South, was rapidly becoming what was frequently referred to during the thirties, as the problem child of the country. After nearly a century of one crop cotton farming this condition had become so bad that bankers and businessmen as well as farmers, began to realize the cost of soil depletion, seasonal unemployment and high credit costs. They recognized the need of a diversified program that would permit crop rotation and soil conservation and restoration of soil fertility. They also recognized the need of an enterprise that would provide more regular employment and a regular cash income. Dairy farming fills these needs and since then Texas has produced her dairy product needs, a dairy development program was started, cheese factories and milk condensers were built and communities that were on the brink of disaster became thriving centers. During the worst of the depression the milk and cream checks kept many of our farmers solvent."

Similar experiences may be recounted time and again to show that in the farm areas where dairying does not exist, low incomes and even poverty and ruin have become common.

THE DAIRY COW: A THREE-IN-ONE VALUE

The dairy cow is unique in its contribution to our economy. She makes this contribution in three distinct ways.

The first is conservation. The dairy cow can consume the various grasses, forage ensilage and other unpalatable vegetation and convert these into proteins, fats, vitamins, and other human health-giving nutrients. The manure from the dairy cow is returned to the soil to maintain fertility for the production of needed feed crops.

The second is reproduction, some calves go into the market as veal and provide about 60 percent of the veal used. Other calves are raised to replace older cows to maintain the milk-producing herd, while the older cows go into the beef market.

The third is food. Bottled milk and cream, butter, cheese, ice cream, evaporated milk, and many other nutritious products are provided solely from the milk of the dairy cow.

The dairy farmer can produce and sell \$1,000 worth of dairy products and still have as good, if not a better, farm than before.

(Mr. JENSEN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Speaker, I shall vote against this report.

I want to take the time of the House a few minutes to talk about one of our chief farming industries—a farming industry that has contributed more to the upbuilding of America than any other branch of farming.

The legislation now under consideration by Congress deals with one of the most important issues affecting agriculture and the welfare of the American people.

Our national leaders have long recognized the paramount importance of the dairy industry to the growth and welfare of our country. The Congress in its wisdom has enacted laws to safeguard our principal dairy product—butter—from the destructive competition of cheap butter substitutes.

The milk cow has followed the pioneer in every State in the Union, bringing sustenance and support to the men and women with their families that have built America. In the covered-wagon days, it was the milk cow and her progeny that accompanied the settlers in their migrations to the Nation's frontiers and supported them with milk, butter, and beef, while they reclaimed the land and built the homes and communities of this great country. The old-fashioned churn and the farm wife with her golden rolls of delicious butter did more to sustain the farmer and finance the building up of early day American agriculture than any other product of the farm. This was so in the South, where now so much of the support of cheap butter substitutes comes from.

Let me remind you that England has long recognized the importance of dairying and beef production. We are indebted to the English for the excellence and productivity of the dairy herds in this country by their contributions of Jersey, Guernsey, Alderney, and Ayrshire milk- and butter-producing cows, perfection achieved by generations of painstaking selection and breeding. So it is with their contribution of the beef strains of shorthorns and Herefords to our matchless herds of beef cattle.

The prowess of the English race in conquering and colonizing many parts of the world must be credited in a large measure to the fighting ability and rugged physiques of her beef eaters.

When Japan was making a bid for military advancement some years ago, we read that she endeavored to ascertain what could be done to improve her national diet and increase the stature and prowess of her fighters, and we learned that the commission reported that milk, butter, and beef were the answer.

Let anyone show me a community or a country that is devoted to dairying and I will show you a hardy race and a prosperous people. Today, little Denmark, with its dairy farms, its butter and bacon, a byproduct of the dairy, is an example of farm thrift and national stability to the rest of the world.

Little Holland with its canals and dairy farms that gave us and to the world

her famous dairy strains of Holstein-Friesian milk- and butter-producing cows, a country minus timber, without deposits of coal, iron, or oil, dependent on her farms and dairy herds, was before the war one of the richest of European countries.

Now the processors of cheap vegetable oils, surplus fats and grease have taken over the soap trade and the tremendous business of supplying the Nation's cooking fats and compounds, together with the vast market for lubricants.

They have even come in and taken the market for our dairy product, cheese, with their tinselled, adulterated "cheese" substitutes.

Today there is hardly a grocery store in the country where you can buy a piece of honest-to-goodness full-cream cheese. Not content with taking over these vast markets, now these processors of cheap vegetable oils, surplus fats, and grease propose to come in and tear down the last legislative safeguards to the main product of our dairy industry, butter, and flood the market with their cheap butter substitute, oleomargarine, that will masquerade as butter in the stores of many communities and deprive the housewife of any opportunity to buy genuine butter. If the oleomargarine dealers have their way and this law is repealed, when the housewife goes to the store and asks for real butter, she will get the same response we get today when we ask for full-cream cheese, "Sorry, we don't keep it."

Now when the world is struggling with inflation and is crying to us for fats and oils we are being pressed by these profiteering packing-house companies and the manufacturers of the cheap butter substitute, oleomargarine, to reverse our national policy and tear down the laws that Congress has enacted to protect the purity of the food of our children and safeguard our chief agricultural industry; yes, to protect the very stability of our farm economy by preserving our home markets for our principal dairy product, butter.

They would impoverish the farmer and dwarf our children to enrich profiteering manufacturers and unscrupulous oleomargarine dealers.

We know and sympathize with the cotton growers of the South. They have been struggling for generations with their soil-depleting one-crop standard, cotton. Naturally they are demanding a bigger and better market for their by-product, cottonseed oil. They need the money to buy commercial fertilizers if they are to grow another good cotton crop and more cottonseed oil.

Let me remind you that our Government undertook the construction of Muscle Shoals to provide fertilizer for the worn-out cotton fields of the South.

There has been a concerted effort in the cotton-growing States to get away from cotton and soil depletion. Valiant attempts have been made with some success to build up the livestock and dairy industry as a means of increasing the fertility of its worn-out soil.

To meet a temporary price emergency caused by inflation, we are called upon to repeal our laws and deprive agriculture of the security of its dairy industry

and the means of maintaining the fertility of the soil.

We cannot, we must not adopt a short-sighted policy that will bring the standards of agriculture down to the production of soil-depleting crops in order to expand the market for vegetable oil and the purchase of more commercial fertilizer to build up a one-crop, soil-depleting industry.

(Mr. WHITE of Idaho asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, there has been a great deal of discussion and concern on the part of some Members regarding a so-called "sleeper" which this report is alleged to contain. Before I discuss the general provisions of the conference report I want to call attention to the manner in which this provision affecting the Federal Trade Commission came into this bill. The amendment involving the Federal Trade Commission is now in a bill reported from the Committee on Agriculture, because back in 1886 the Members of this Congress thought they could get legislation through the Committee on Agriculture that they could not get through the regular committees which had to do with taxation in the Congress; so they referred this oleomargarine tax bill to the Committee on Agriculture rather than to the Committee on Ways and Means. They established a precedent which is still followed. From that day to this those who have sought to penalize oleomargarine unfairly have endeavored to place jurisdiction in the hands of the Committee on Agriculture rather than in the hands of the other committees that have a closer touch with the particular affairs involved in the legislation. In this way they were able to actually get a favorable report, just last spring, for a bill which would have completely barred colored margarine in spite of the fact that this House overwhelmingly voted to remove all special taxes and restrictions from the sale of all margarine, white or colored.

It was not at the request of those of us who believe in the right of the American consumers to make their own choice of food, that these amendments to the Federal Trade Commission Act were brought before us on a bill from the Committee on Agriculture. In fact no friend of free competition had anything to do with placing these amendments in the conference report. They impose new penalties on the manufacturers of margarine, if they persist in violating the law. They are intended to benefit the butter people but they are fair. I have no desire to allow a margarine manufacturer to violate the law and I am not going to ask that these penalties be reduced.

These amendments were placed in this bill in the other body. The RECORD for January 12, 1950, will show on page 348, that Senator AIKEN, who is not noted for his support of this legislation, suggested an amendment, which is the wording to which objection has been taken, and

the amendment that Senator AIKEN suggested was to an amendment previously offered by Senator WILEY. Senator WILEY of Wisconsin is not an outstanding advocate of the free and unlimited sale of oleomargarine, but he approved and accepted this amendment. The amendment offered by Senator AIKEN was immediately approved by Senator McCARTHY, and neither is that gentleman very widely known for his support of margarine. Endorsement was given to that principle by Senator MUNDT. Senator MUNDT has not distinguished himself for what he has done in the way of removing the burdens on oleomargarine. As far as I can find in the RECORD, those four Senators, and those alone, spoke in behalf of this amendment.

Now, every one of these gentlemen was admittedly seeking to destroy the freedom of margarine to be sold under its own name and on its own merits. So, we find that that amendment was placed in the bill by those who were admittedly opposed to the bill and opposed to the free sale of margarine. But I do not think that any of us, no matter how we might disagree with Senator WILEY or Senator AIKEN or Senator MUNDT or Senator McCARTHY, could suggest that any of those gentlemen were not able lawyers. I do not think any of us could suggest that those gentlemen were calculated either to overlook the effect of their actions or that that they were of the kind or caliber who would deliberately insert sleepers in any legislation. I think it is perfectly clear, on the contrary, that they put this provision in here, knowing what they were doing, and the Senate knew what it was doing, and put this amendment in the bill in order there might be no deception on the part of the manufacturers of margarine or any other commodity. Those of us who feel that margarine had a right to be sold on its own merits have always contended that margarine must comply with the laws, just the same as any other food product, and if it resorted to any unfair method of advertising, that that manufacturer of margarine should be penalized just the same as the manufacturer of any other commodity. Consequently, those of us who felt that margarine should be sold on its own merits felt that it did not behoove us to try to remove from the bill a penalty placed on the manufacturer who did not deal fairly with his product.

Nor can it be said that this is in fact a dangerous or unfair amendment. Who can be hurt by it? It only applies to those who, after notice and hearing, have been ordered to cease and desist from a course of action which has been found to violate the law. Even then the penalty cannot be assessed until the order has become final. After the Commission issues its order the defendant may appeal to the courts. Of course, if he does not appeal the order does become final, but if he desires to appeal he can carry the case all the way through the courts and no penalty can be assessed under this provision until he has exhausted his right of appeal. Are we

to say today that any person should be allowed to buy immunity from a final judgment properly approved by our courts, by the payment of one fine which may represent his profits for only a few weeks, or even a few days? I think not. I think it is perfectly fair to make each day's violation of the final order a separate offense, and I believe most of the butter partisans think so, too. Actually, this is nothing more than a red herring with which they hope to scare some Members.

The chairman of the committee asked the gentleman from Minnesota if he wanted to take this provision out of the bill, and suggested that if he did that the chairman would call the conferees together again and give him an opportunity to take it out, and that invitation was not accepted.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not recollect, and I do not think the gentleman does, that the chairman of the committee ever offered to take it out.

Mr. POAGE. The gentleman who is now speaking recollects speaking to the gentleman from Minnesota, in the presence of the chairman of the Agriculture Committee just about where he is sitting right now, on Thursday last.

Mr. AUGUST H. ANDRESEN. Would the gentleman like to have me put in the RECORD what we really discussed in the last meeting of the conference committee?

Mr. POAGE. The gentleman has a perfect right to put in the RECORD anything he wants to, but I am sure that he does not want to put in the RECORD any statement which would indicate that he proposed in the conference committee, or proposed to the chairman of this committee, or to me, that he wanted to take this Aiken amendment out of the bill. On the contrary, we sat in conference day after day and the gentleman never raised the question until he found that he had something with which he could go around and try to come in the back door to try to sabotage the margarine bill. He knew as he now knows; that he could not beat it on its merits for he knew that this House was determined to pass a bill to give the people of America, the housewives, the old man of the house who pays the bills, and the children who eat the food, and all the rest of us, the right to buy any food product that we want.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The enforcement of this law is vested in the Pure Food and Drug Administration, is it not?

Mr. POAGE. The pure food and drug provisions are. There are a great many provisions in this bill. Some of them are fiscal; some relate to trade.

Mr. KEEFE. Yes; but the provisions with respect to the sale of oleomargarine and the posting of notices and signs and all that lie with the Pure Food and Drug Administration?

Mr. POAGE. Not entirely.

Mr. KEEFE. May I ask the gentleman whether or not he has considered the cost that will be involved in the administration of the enforcement?

Mr. POAGE. Yes.

Mr. KEEFE. How much is it going to cost, in the gentleman's opinion?

Mr. POAGE. I do not think it is going to cost a thing in the world, because I think it will be enforced just as most of the laws of this country are. When there is a violation in the gentleman's community, I assume that if the people want the law enforced they will complain to the local officials and they will have the law enforced. If they do not want it, frankly, it is going to be just like every other law of this Nation.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. POAGE. No; I cannot yield, because I must follow up this point here. The time is running.

Mr. KEEFE. The Pure Food and Drug has already submitted an estimate of \$4,500,000.

Mr. POAGE. I am not yielding further.

The matter will be enforced just as every other law in the Nation is enforced. If the people of a community want it enforced it undoubtedly will be enforced. We found a long time ago that you are not going to get very much local enforcement of legislation unless the people of the community want it enforced. On the other hand I do not view this in the class with the security activities of the FBI and I doubt that we would be justified in sending out an army of enforcement officials from Washington.

The people of America have spoken clearly on one thing. They want the opportunity to buy any wholesome food for which they are willing to spend their money. They want to make the choice rather than have those here in Washington make the choice. To me that is a sound principle and I stand on it regardless of whether it helps the dairy industry or the cotton industry.

I happen to live in a great cotton country, but I have more of my own money invested in dairy cows and in dairy barns and dairy equipment than I have in growing cotton. I personally have more to gain by the prosperity of the dairy industry than I have to gain by the prosperity of the cotton industry. Frankly, I do not think this bill is going to hurt the dairy industry.

Regardless of that, I am convinced and I believe the Members of this House are convinced that this thing should not be decided upon the question of who is going to be able to legislate himself into a monopolistic position of profit at the expense of the consumers of America, but rather what is good for all the people of America. As one who has a substantial investment in the dairy business, I am convinced that the American people are entitled to make a free choice of their own as to whether they want to buy the products of the dairy cow, of the soybean, or of the cottonseed. We cannot claim to be an economic democracy, we cannot claim to be a land of free opportunity, when we deny to our

people the fundamental choice of where and how they will spend their own money and what foods they will use in their own homes. After all that is the fundamental issue you must, by your votes, decide this afternoon.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 262, nays 106, not voting 64, as follows:

[Roll No. 84]

YEAS—262

Abbitt	Frazier	McCormack
Abernethy	Fugate	McDonough
Addonizio	Fulton	McGrath
Albert	Furcolo	McGuire
Allen, Calif.	Gamble	McKinnon
Allen, Ill.	Garmatz	McMillan, S. C.
Anderson, Calif.	Gary	McMillen, Ill.
Andrews	Gathings	McSweeney
Angell	Gavin	Mack, Ill.
Arends	Goodwin	Madden
Aspinall	Gordon	Mahon
Auchincloss	Gore	Mansfield
Barden	Gorski	Marcantonio
Baring	Gossett	Marsalis
Barrett, Pa.	Graham	Merrow
Bates, Ky.	Granahan	Miles
Bates, Mass.	Grant	Miller, Calif.
Battle	Green	Mills
Beall	Gregory	Mitchell
Beckworth	Hale	Monroney
Bennett, Fla.	Hall	Morgan
Bennett, Mich.	Edwin Arthur	Morris
Bentsen	Hall	Morton
Boggs, Del.	Leonard W.	Multer
Boggs, La.	Halleck	Murdock
Bolling	Harden	Murphy
Bonner	Hardy	Murray, Tenn.
Bosone	Hare	Nicholson
Boykin	Harris	Nixon
Bramblett	Hart	Noland
Brooks	Harvey	O'Brien, Ill.
Brown, Ga.	Havenner	O'Brien, Mich.
Bryson	Hébert	O'Hara, Ill.
Buchanan	Heffernan	O'Neill
Buckley, Ill.	Heller	O'Toole
Buckley, N. Y.	Herlong	Pace
Burke	Heselton	Passman
Burleson	Hinshaw	Patman
Burnside	Hobbs	Patten
Burton	Howell	Patterson
Camp	Huber	Perkins
Canfield	Irving	Peterson
Carlyle	Jackson, Calif.	Pfeifer
Carroll	Jacobs	Joseph L.
Case, N. J.	James	Phillips, Tenn.
Cavalcante	Javits	Pickett
Celler	Johnson	Poage
Chudoff	Jones, Ala.	Poulson
Cole, Kans.	Jones, Mo.	Powell
Combs	Jones, N. C.	Preston
Cooley	Karst	Price
Cooper	Karsten	Priest
Cotton	Kean	Quinn
Cox	Kearns	Rabaut
Crook	Keating	Rains
Crosser	Kee	Rankin
Dague	Kelley, Pa.	Rees
Davenport	Kelly, N. Y.	Rhodes
Davis, Ga.	Kennedy	Ribicoff
Davis, Tenn.	Keogh	Richards
Dawson	Kerr	Riehlman
DeGraffenried	Kilday	Rivers
Delaney	King	Rodino
Dingell	Klein	Rooney
Dollinger	Kruse	Roosevelt
Dondero	Kunkel	Sabath
Doughton	Lane	Sadlak
Doyle	Lanham	Saylor
Durham	Larcade	Scott
Eberhart	Latham	Hugh D. Jr.
Elliott	Lesinski	Shelley
Elston	Lichtenwalter	Sikes
Fallon	Lind	Simpson, Pa.
Feighan	Linehan	Sims
Fenton	Lodge	Spence
Fernandez	Lucas	Staggers
Flood	Lyle	Steed
Fogarty	Lynch	Stigler
Forand	McConnell	Sullivan

Sutton
Tackett
Tauriello
Thomas
Thompson
Thornberry
Towe
Underwood
Van Zandt
Vorys

Wagner
Walter
Welch
Werdell
Wheeler
Whitten
Whittington
Widnall
Wigglesworth
Williams

Willis
Wilson, Tex.
Winstead
Wolverton
Wood
Worley
Yates
Young
Zablocki

NAYS—106

Andersen, H. Carl
Andresen, August H.
Barrett, Wyo.
Blemiller
Bishop
Blackney
Bolton, Ohio
Breen
Brehm
Brown, Ohio
Burdick
Byrnes, Wls.
Cannon
Carnahan
Case, S. Dak.
Chelf
Christopher
Church
Clevenger
Cole, N. Y.
Crawford
Cunningham
Curtis
Davis, Wis.
Denton
D'Ewart
Dolliver
Fellows
Ford
Gillette
Granger
Hagen
Harrison
Hays, Ohio

Hill
Hoeven
Hoffman, Mich.
Holmes
Hope
Horan
Hull
Jackson, Wash.
Jenison
Jenkins
Jensen
Jonas
Judd
Keefe
Kilburn
LeCompte
Lemke
Lovre
McCarthy
McCulloch
McGregor
Mack, Wash.
Macy
Marshall
Martin, Iowa
Davis, Wis.
Denton
Miller, Md.
Miller, Nebr.
Moulder
Murray, Wls.
Nelson
Norblad
O'Hara, Minn.
O'Konski
O'Sullivan

Phillips, Calif.
Polk
Potter
Redden
Reed, Ill.
Rich
Rogers, Mass.
St. George
Sanborn
Scrivner
Scudder
Secrest
Shafer
Short
Simpson, Ill.
Smith, Kans.
Smith, Va.
Smith, Wis.
Stefan
Stockman
Taber
Talle
Tollefson
Trimble
Vursell
Walsh
Weichel
White, Idaho
Wickersham
Wier
Wilson, Ind.
Wilson, Okla.
Withrow
Wolcott
Woodhouse
Woodruff

NOT VOTING—64

Allen, La.
Bailey
Blatnik
Bolton, Md.
Bulwinkle
Byrne, N. Y.
Chatham
Chesney
Chipperfield
Clemente
Colmer
Corbett
Coudert
Davies, N. Y.
Deane
Donohue
Douglas
Eaton
Ellsworth
Engel, Mich.
Engle, Calif.
Evins
Fisher

Gilmer
Golden
Gross
Gwinn
Hand
Hays, Ark.
Hedrick
Herter
Hoffman, Ill.
Hollifield
Jennings
Kearney
Kirwan
LeFevre
Magee
Martin, Mass.
Meyer
Morrison
Norrell
Norton
Pfeiffer
William L.
Philbin

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Corbett for, with Mr. Davies of New York against.

Until further notice:

Mr. Gilmer with Mr. Martin of Massachusetts.

Mr. Kirwan with Mr. Smith of Ohio.

Mr. Chatham with Mr. Hoffman of Illinois.

Mr. Byrne of New York with Mr. Reed of New York.

Mr. Whitaker with Mr. Herter.

Mr. Magee with Mr. Meyer.

Mr. Morrison with Mr. Coudert.

Mrs. Norton with Mr. LeFevre.

Mrs. Douglas with Mr. Wadsworth.

Mr. Engle of California with Mr. William L. Pfeiffer.

Mr. White of California with Mr. Ellsworth.

Mr. Sadowski with Mr. Taylor.

Mr. Hays of Arkansas with Mr. Chipperfield.

Mr. Smathers with Mr. Gross.

Mr. Deane with Mr. Hand.
Mr. Allen of Louisiana with Mr. Eaton.
Mr. Colmer with Mr. Golden.
Mr. Rogers of Florida with Mr. Gwinn.
Mr. Fisher with Mr. Jennings.
Mr. Stanley with Mr. Hardie Scott.
Mr. Hedrick with Mr. Kearney.
Mr. Hollifield with Mr. Velde.
Mr. Vinson with Mr. Engel of Michigan.
Mr. Chesney with Mr. Plumley.

Mr. MICHENER, Mr. FORD, and Mrs. ROGERS of Massachusetts changed their vote from "aye" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks a statement released by the Army and Navy Union, U. S. A.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix of today's RECORD.]

SPECIAL ORDER GRANTED

Mr. DAVENPORT asked and was given permission to address the House on March 17 for 1 hour following any special orders heretofore entered.

CORRECTION OF VOTE

Mr. DAVENPORT. Mr. Speaker, on roll call No. 80 I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. ROOSEVELT asked and was given permission to extend his remarks in the RECORD and include extraneous matter and an editorial.

Mr. HELLER (at the request of Mr. KEOGH) was given permission to extend his remarks in the RECORD in two instances.

Mr. BURNSIDE asked and was given permission to extend his remarks in the RECORD.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in four instances and include newspaper and other extraneous material.

Mr. SMITH of Wisconsin asked and was given permission to extend his re-

Mr. LUCAS. That is perfectly all right, because I am criticized every day.

Mr. EASTLAND. I hope the Senator does not construe it as criticism. But I want to testify at first hand to what I have seen of the activities of the Senator from Nevada. He is able, honest, and honorable. If ever a Senator acted from motives of pure patriotism, the Senator from Nevada has done so in this case.

Mr. LUCAS. I wish we could have more of these testimonials, and I wish I could get in on them, once in a while. [Laughter.] For the past 2 weeks, all I have heard on the floor of the Senate has been testimonials regarding various Senators. I should like to get in on it a little, myself.

Mr. NEELY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. LUCAS. In a moment.

The Senator from Mississippi knows, and the Senator from Nevada knows, that it was agreeable to the Senator from Nevada to vote today. We tried in every way possible to obtain such a unanimous consent agreement. It was done in order that the Senator from Nevada might go on his way, to take care of business matters in his own State of Nevada. But now the bill cannot be voted on a week from today.

Mr. KILGORE, Mr. NEELY, and Mr. GEORGE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the Senator from West Virginia.

Mr. KILGORE. I may say to the distinguished majority leader that I think the Senate should be informed as to the result of delay. The last visa to be issued under the existing legislation must be issued by June 1st. If the bill comes on for a vote on April 4, it would leave less than 2 months to put it through conference. There may be considerable controversy in conference, and it means that the whole thing must be rolled up and packed away, unless the bill is passed on or before June 1.

Mr. TAFT rose.

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. I am seeking the floor in my own right.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I do not want to be critical at all of the majority leader, but I may say there has been a great deal of contradiction. The taking of testimony has not been concluded. In the interest of constructive legislation, I would ask the Senator from Illinois whether he would again propound a unanimous-consent request providing for a vote on the bill on April 4. I am not asking the majority leader to do it. I am not asking him to reverse himself, but, inasmuch as it will take a week to complete the hearings, and inasmuch as

it will take some time afterward to get them printed, not much time will be lost. I again suggest to the majority leader that it always saves time if a unanimous-consent agreement can be made fixing the time for a vote. In that spirit, I believe, if a unanimous-consent request were made for a vote on April 4, it would be agreed to today, and we would have assurance that the bill and all amendments thereto would be voted upon on that day. Although that date seems to be somewhat far away, I believe there is plenty of legislation to occupy the time until April 4. I have in mind the deficiency bill, the conference report on oleomargarine, the Kerr bill, and dozens of other bills. We would have assurance that at a time certain, without further deliberation or debate, except on that day, the bill would finally come to a vote. I think it would be constructive, and I appeal to the Senator from Illinois to again propound such a unanimous-consent request.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LUCAS. I yield.

Mr. TOBEY. In order that my friend, the majority leader, may not entertain false hopes, I may say that if the request is made, I shall have to object.

Mr. KILGORE. Mr. President, I may suggest to the distinguished majority leader, I see no reason why the testimony already taken should not go to the printer, so that we could have that much out of the way.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield the floor to the Senator from Georgia.

REPEAL OF OLEOMARGARINE TAXES— CONFERENCE REPORT

Mr. GEORGE. Mr. President, I submit a conference report on House bill 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, and 16 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

"(1) such oleomargarine or margarine is packaged,

"(2) the net weight of the contents of any package sold in a retail establishment is one pound or less,

"(3) there appears on the label of the package (A) the word 'oleomargarine' or 'margarine' in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

"(4) each part of the contents of the package is contained in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than 20-point type.

The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this Act."

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

"(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting '(1)' after the letter '(a)' in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine."

"(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act, as amended, the term 'oleomargarine' or 'margarine' includes—

"(1) all substances, mixtures, and compounds known as oleomargarine or margarine;

"(2) all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter."

"(c) Subsection (1) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through

continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense."

And the Senate agree to the same.

WALTER F. GEORGE,

TOM CONNALLY,

E. D. MILLIKIN,

ROBERT A. TAFT,

Managers on the Part of the Senate.

HAROLD D. COOLEY

STEPHEN PACE,

W. R. POAGE,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. GEORGE. Mr. President, this is an important bill, and one matter at least has arisen since the conference report was finally agreed upon, which should be explained. Three amendments having real substance were made to the bill in the Senate. There were a number of other amendments, most of them technical, but the three amendments of substance were as follows: One amendment, offered by the distinguished Senator from Delaware [Mr. FREAR], provided in effect that oleomargarine should be manufactured, prepared, packaged, and sold in packages the net weight of the contents of the retail package not to exceed 1 pound, and that each part and parcel of such contents of such package should be so manufactured, prepared, and molded as to be triangular in shape. That is the first amendment of substance. The amendment does not apply to oleomargarine served in public eating places. It applies generally to the manufacture, preparation for sale, and sale of oleomargarine.

This amendment was a subject of debate for a considerable number of sessions of the conference committee. The committee went into it very thoroughly. We finally agreed on an amendment offered by the House, in substitution of this particular amendment, as follows:

No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

(1) such oleomargarine or margarine is packaged—

That provision was expressly stated in the amendment offered by the Senator from Delaware—

(2) the net weight of the contents of any package sold in a retail establishment is 1 pound or less—

That provision is also implicit in and expressly stated in the amendment offered by the Senator from Delaware, except that it was there said that "the contents of the retail package shall not exceed 1 pound," whereas the language adopted by the conference committee was that the "package sold in a retail establishment is 1 pound or less."

That is a mere matter of form of words, perhaps.

I read further:

(3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all

the ingredients contained in such oleomargarine or margarine.

The conference committee reached the conclusion that the real purpose of the amendment was to prevent fraud from being practiced upon the consuming public, and upon persons in eating houses or places where food is served, and, therefore, it was deemed by the conference committee, on thorough consideration, that if there appeared on the label of each of the packages sold in retail establishments which could not contain more than 1 pound net, the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label—that is to say, if those words were printed on the package as conspicuously as was any other printing appearing thereon, and that if a full and accurate statement of all the ingredients contained in such oleomargarine or margarine was also printed upon the package, that was adequate protection to the public.

A further provision of the amendment agreed upon was that each part or parts of the contents of the retail package is contained in a wrapper which bears the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type."

The requirements of this subsection shall be in addition to and not in lieu of any of the other labeling requirements of the act.

It is respectfully submitted that this amended provision of the act, as agreed upon in conference, affords as ample and thorough protection to the general public buying in retail establishments as would the original provision contained in the amendment offered by the Senator from Delaware. The significant statement in that amendment was that each part of such package is manufactured, prepared, and molded so as to be triangular in shape.

The conferees reached the conclusion that it was not intended actually to protect the public, but was intended to add to the cost of a product which the American people earnestly desire to purchase at reasonable prices.

The conference committee had information tending to establish the fact that there was no machinery presently made which could be used for the cutting of margarine in triangular shape. There was some suggestion made that machinery of that type was protected by patents which would not expire for a period of 2 years. The conference committee did not want to add to the profits of any particular manufacturer, nor did it want to increase the cost of producing oleomargarine in that peculiar shape, but it did accept the spirit of the amendment. The conferees said they would do everything possible in the provision agreed upon to give the public complete, full, adequate, and ample protection against fraud. I submit frankly to the Senate that this amendment will accomplish that result. Let it be borne in mind that the amendment on which the conferees finally agreed was and is as follows:

(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless—

(1) such oleomargarine or margarine is packaged,

(2) the net weight of the contents of any package sold in a retail establishment is 1 pound or less,

(3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

(4) each part or parts of the contents of the retail package is contained in a wrapper which bears the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this act.

So much, Mr. President, for the first amendment of substance. The second amendment of substance is the amendment offered by the distinguished Senator from Minnesota [Mr. HUMPHREY], and that amendment, as it was approved by the Senate, provided:

If it is oleomargarine or margarine or butter, and any of the seeds, beans, nuts, manufactured fats, oil, or other raw materials used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine, margarine, or butter was otherwise unfit for food.

The conference committee debated this amendment at great length. It was finally accepted almost in the form, certainly within the meaning, of the Senate amendment. In the form in which it was accepted by the conference, it was and is as follows:

(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.

That is substantially the provision of the present law. Indeed, the amendment of the Senate, as the conference committee was advised by testimony offered by representatives of the Food and Drug Bureau and the Federal Trade Commission, is already contained, substantially, at least, in the existing law.

The next important amendment was an amendment which was also considered at length by the conference committee. It is the amendment numbered 12, which as adopted by the Senate read as follows:

SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting "(1)" after the letter "(a)" in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

"(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product."

The conference committee accepted the amendment, but added a provision to it. The committee accepted it precisely as the Senate passed it, with this addition:

except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the

Ingredients contained in such oleomargarine or margarine.

That amendment was made because the conference committee was advised—indeed, there was no dispute upon the point—that certain dairy products—for instance, milk in some form—were used in the manufacture of oleomargarine. Since the amendment as it came from the Senate used the language “that such oleomargarine or margarine is a dairy product,” we thought it proper—indeed, we thought fair and just—to add:

except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.

The subsequent portions of that amendment, which was offered in the Senate by the distinguished Senator from Wisconsin [Mr. McCARTHY], and to which an amendment was added by the distinguished Senator from Vermont [Mr. AIKEN], I believe, was accepted, with minor exceptions, just as it was adopted by the Senate. There was this change made. As it passed the Senate, the language read as follows:

(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

The conference committee changed the language which followed and made it more comprehensive by including the words:

For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act and the Federal Trade Commission Act.

Then the conferees adopted practically the portions of the amendment adopted by the Senate, with the elimination of “oleo or butterine” in one section. We did that upon what seemed to be good authority, namely, that there was no claim by oleomargarine interests or dairy interests, or butter interests that butterine was sold as margarine, but it was a distinct product of its own. We did not wish to be involved in a controversy respecting a product which was not really comprehended within the term “oleomargarine” or “margarine.” We were also told that there was at the present time no sale of butterine, and that there had been none manufactured for some time.

The following provision was omitted entirely in conference:

(B) commonly used, or intended for common use, in place of or as a substitute for butter, or (C) churned, emulsified, or mixed in cream, milk, skim milk, buttermilk, water, or other liquid and containing moisture in excess of 1 percent and commonly used, or suitable for common use, as a substitute for butter.

Among other reasons for omitting it, the conference agreed that there was no necessity for the provision, indeed, that it would be confusing to undertake to insert another definition of a product which at this time is certainly defined both in common usage and in the law.

Then we come to the last provision of this important third amendment:

(c) Subsection (e) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new

sentence: “Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.”

That was the amendment which was offered by the distinguished Senator from Vermont [Mr. AIKEN].

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GEORGE. In a moment. The conference committee accepted that amendment as it was adopted by the Senate. The question has arisen whether the committee intended to apply that provision to oleomargarine only, or whether it would have general application. That has given occasion to some worry in the country, and quite a number of people have telegraphed me, and have written and telegraphed other Senators.

Mr. President, I should be very glad to yield to the Senator from New Jersey, but if he will permit me, I should like to make just one more statement before I yield.

Mr. SMITH of New Jersey. Very well.

Mr. GEORGE. Undoubtedly the conferees were thinking only of the immediate problem before us, but inasmuch as this is an amendment to section 5 of the Federal Trade Commission Act, as amended, the language does apply, it must be frankly stated, to any cease-and-desist order issued by the Commission when and if an order becomes final.

It is not the purpose of the conferees, I may say, to undertake to amend that particular section of the Federal Trade Commission Act; we did not have that in mind; but the amendment was offered on the Senate floor undoubtedly for the purpose of protecting the producers of butter against any possible fraud, and of compelling obedience to a final order of the Commission, if the Commission issued an order respecting the manufacture and sale of oleomargarine.

While that is true, and while the language itself is broad, it is clear; I do not think that there is any such ambiguity, uncertainty, or doubt in the language as would enable one to say that it would be necessary to look outside the act, or to the history of the legislation, to see precisely what was meant. I think it says what it means, and I think it does apply generally.

I call attention to the fact that it does not apply to any interlocutory or temporary or intermediate order of the Commission. It is applicable only after due hearing, and after the Commission waits the full 60 days for the obtaining or filing of an appeal, and after the filing of the appeal and the final disposition of the appeal in the courts, and 30 days thereafter, if there is an affirmance of the order. In other words, it does not apply until the order becomes final.

At first I thought that perhaps it had gone too far, but on reflection I am not so sure it has gone too far, but if it has, it can be easily corrected hereafter. The appropriate committee, of course, can entertain a bill to eliminate any troublesome feature of this particular measure.

Mr. THYE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. THYE. In other words, no person or corporation or processor could in any sense be hurt, or could have an undue, heavy penalty imposed, unless he deliberately intended to violate an order or violate a court decision?

Mr. GEORGE. It is precisely as the distinguished Senator from Minnesota says. The provision would not apply until the order has become final; and it is undoubtedly the duty of every citizen and every corporation to obey the final judgment of a court or tribunal of competent jurisdiction in the premises. I do not think it would work any hardship.

Let me also call attention to the fact that this amendment does not require that the penalty be assessed at \$5,000 for each successive day or each repetition of the offense violative of the order. It merely provides that there may be recovered not to exceed \$5,000.

I have it upon the highest authority that the Federal Trade Commission has never recommended and the Attorney General of the United States has never undertaken the exaction of the full penalty, except in those very aggravated cases in which there was a willful, intentional, and announced purpose of violation of the final order.

Mr. THYE. I thank the Senator from Georgia.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GEORGE. I am glad to yield.

Mr. SMITH of New Jersey. I wish to submit a question to the distinguished Senator from Georgia. First I commend him for his very clear statement on the conference report. As he knows, I have supported the legislation. But last night, and again this morning, some interests in my State of New Jersey who were not concerned at all with the oleo business, but were concerned with other lines of industry, especially the food and drug industry, which they consider to be affected by this legislation amending the Federal Trade Commission Act, raised the question whether it would not be possible for them to present their case on the question of penalties because they feel that possibly the penalties will work very considerable hardship against them. They do not intend, of course, to violate the law, but they feel that the penalties which might be placed upon the lines of business in which they are engaged are very harsh where there is no intent to violate the law and where there may be some question whether their lines of business are violative of the law or not. I ask the Senator about this so we can have the record made clear. Their understanding is that these orders might be issued and pending an appeal to the court on their part the penalties would go into effect.

Mr. GEORGE. Oh, no.

Mr. SMITH of New Jersey. I cannot believe that is true, but I should like to have the record made clear.

Mr. GEORGE. Let me give the Senator the substance of the brief provision of the organic act itself creating the Federal Trade Commission.

Subsection (1) of section 5 of that act provides that anyone required by an order of the Federal Trade Commission to cease and desist from using any unfair method of competition, or unfair act, or any unfair trade practice, may obtain a review of the Federal Trade Commission order in the circuit court of appeals, and the procedure is set forth for the taking of such an appeal. It may be taken within 60 days after the order is issued. It provides that the decree of the circuit court shall be final, subject only to review by the Supreme Court upon certiorari, as provided in the Judicial Code.

And by regulation duly adopted and authorized under subsection (g) of section 5, the Federal Trade Commission order becomes final only after the lapse of 30 days after final termination of every issue raised in the courts respecting that order.

So I think there simply is a misapprehension on the part of quite a number of people who, as the Senator from New Jersey properly says, are not concerned in the dispute about oleomargarine or butter, but who manufacture other legitimate merchandise and carry on other legitimate business, and who think the penalty is very severe. It would be a very severe penalty but for the fact, as I see it, that the increased penalty, that is each day of continuance of failure or neglect to obey, shall be deemed a separate offense, to quote the amendment, applies, as the amendment expressly provides, only after the order has become final, and when it has become final, then it is perfectly obvious, to my mind, that the penalty can be enforced only by a civil suit. That is all there is to this, after all. While a penalty is provided, it is a penalty which can be enforced, not by imprisonment, not by arrest, but only by civil action. That action is taken on the recommendation of the Commission, by the Attorney General of the United States, in the name of the United States, as a matter of fact, as I understand. After the order has become final it is not conceivable that the courts would entertain a suit for more than one penalty. They would act in that manner upon the plainest grounds of common law and equity. They would not encourage unnecessary litigation. Certainly the recommendation could in no event come from the Attorney General's office. In no event would the court sanction any unreasonable penalty, or any such total penalty as would be destructive of legitimate business. So, therefore, I do not think there is any real danger here to legitimate business. But if there is, unfortunately a provision in such general terms of the conference report, it can hereafter be corrected by the proper committee and by action of the Congress.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield so as to finish my inquiry, if I may?

Mr. GEORGE. Yes.

Mr. SMITH of New Jersey. For the RECORD, in connection with the remarks of the distinguished Senator from Georgia, I want to read a telegram I received a few minutes ago from Albert H. Acken, secretary, New Jersey State Chamber of Commerce. So apparently

the whole chamber of commerce is concerned. It reads as follows:

Urge you vote against amending of subsection L of section 5 of Federal Trade Commission Act proposed in oleomargarine bill. Our members greatly concerned about this proposal because it is clear that it affects all business and industry.

I wish to have the telegram appear at this point in the RECORD. I am going to assume that the remarks made by the distinguished Senator from Georgia can be taken as a reply to the implied inquiry contained in the telegram I received from the Chamber of Commerce of New Jersey. I understand from the distinguished Senator that if there has been an error in making the legislation so broad, the way will be open for those who feel they are aggrieved to bring the matter up at a later date in an appropriate manner.

Mr. GEORGE. Oh, undoubtedly.

I should like to make the statement though that on reflection I do not believe a different penalty can be provided in the case of one product as against another. That is, I think the penalty is for the violation of the final order, and the final order may be to desist and cease from doing of particular acts, all of course tending to impose upon the public and to work a threat on the public. I cannot conceive that there would be any very serious effort made to impose any undue penalty upon any legitimate business. It is a bit unfortunate, and yet there is much justice and much equity and much fairness in having a severe penalty against those who violate the law with their eyes open, when they cannot any longer be surprised, and cannot any longer be unaware about what they are ordered to do or not to do, by a final order of the Federal Trade Commission.

Mr. President, I have received similar telegrams, I may say, from very distinguished attorneys. It is apparent that there is some misunderstanding about the matter. But certainly if an error has been made, it is a correctable error, which can be remedied. It can be taken up and easily handled hereafter.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. The telegrams I have received seem to indicate a rather widespread belief that anybody in business who happens to violate a regulation or a previous order issued against somebody else by the Federal Trade Commission is subject to this penalty. My understanding is that no one is subject to this penalty unless he has had a full trial before the Commission, unless the Commission has found that he is violating the law, and issued an order requiring him to do certain things or to refrain from doing certain things.

Mr. GEORGE. The Senator is correct.

Mr. TAFT. Furthermore, only the man who has actually had an order issued against him, who, of course, has had complete notice, has litigated the case to the end, and has had the order confirmed, is subject to penalty when he deliberately violates the order issued.

Mr. GEORGE. The Senator is entirely correct. It is a penalty, but a penalty recoverable in a civil action. No prosecution is provided for. The individual cannot be sent to jail.

Mr. TAFT. That is correct. Moreover, the final decision in the case is not up to the Federal Trade Commission, but up to the court before whom the action is brought for the penalty. So, that if the court finds there are extenuating circumstances even under the conditions I have stated, the court does not need to impose the full \$5,000 fine or the full fine for every single day. It can adjust the fine to the degree of the offense.

Mr. GEORGE. The Senator is entirely correct. The \$5,000 penalty is merely the limit. The court cannot go beyond that. The case is tried by an independent court, that is, a court that has no connection with the proceedings had theretofore.

Mr. HENDRICKSON. Mr. President, I merely desire to associate myself with the observations and comments made by my distinguished colleague [Mr. SMITH] and by the distinguished senior Senator from Ohio, and to concur therein.

Mr. GEORGE. I thank the Senator. The PRESIDENT pro tempore. The question is on agreeing to the conference report. The Chair inquires if the Senator from Georgia has finished?

Mr. GEORGE. I shall finish in a few moments. The other amendments are such as are necessary to take care of the technical changes brought about in the bill by virtue of these amendments. The effective date of the act is as it was provided in the Senate amendment, to wit, July 1, 1950.

Mr. WILEY obtained the floor.

Mr. BYRD. Mr. President, will the Senator yield so I may make an insertion in the RECORD?

Mr. WILEY. I yield.

Mr. BYRD. The Senator from Delaware [Mr. FREAR] is absent from the Senate on public business. He is a sponsor of the amendment to the oleo bill known as the Frear amendment, which was adopted by the Senate and rejected by the conferees. The Senator from Delaware has asked me to insert in the body of the RECORD a statement by him respecting the amendment. I ask unanimous consent that it may be printed in the RECORD, at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FEAR

Mr. President, I feel that some added comments on my part are desirable in connection with the conference report to H. R. 2023. The distinguished members of the Joint Senate-House Conference saw fit to reject my amendment which was passed earlier by the Senate. As the Senate knows, I had no quarrel with the basic provision of H. R. 2023, which called for the repeal of Federal taxes on margarine. My amendment, which would have required the molding and packaging of oleomargarine in triangular forms, was purely an identification measure. It was my understanding from representatives of the oleo industry that there would be no objection to its acceptance if Federal taxes were repealed. However, when that was accomplished, a campaign was begun to defeat my amendment which was clearly, as I have just

indicated, only a measure to insure identification.

In that connection a letter from Mr. Paul T. Truitt, president of the National Association of Margarine Manufacturers, appeared in the Wilmington Sunday Star on February 13. In that letter Mr. Truitt contended that if my amendment became part of the law, consumers would not be able to buy tax-free yellow margarine for an indefinite period. It further stated that no machinery existed for packaging margarine in triangular forms and that new machinery would have to be designed, built, and tested. This, it was stated, would take a long time. Estimates by the best-qualified machinery manufacturers ranged, according to Mr. Truitt, from 1½ years to 5 years.

I should like the Senate to know that in my opinion this letter, the complete contents of which I ask to be included as a part of my remarks, errs particularly in several respects.

No indefinite postponement of tax-free yellow oleo for the consumer was called for by the Frear amendment. Adaptation of present machinery could be made within a few months. Since oleo manufacturers copy butter packaging so closely, butter producers themselves are in an excellent position to state, from their own experience in the wrapping field, that the necessary changes would cost very little money and could be made promptly.

The packaging-machinery industry is one of the most resourceful and ingenious of all American industries. It is impossible to imagine their experts being baffled by the problem of changing from cubes to triangles. Most changes and innovations in packaging reduce rather than increase costs to consumers, as any businessman knows.

The expense, if significant at all on a unit basis, would certainly have been less than that of the yellow capsule now used or of the squeeze bag so widely featured by the oleo industry. In the long run the oleo industry could probably save money under the triangular amendment, which was accepted in good faith by oleo proponents in both the House and the Senate.

The Frear amendment would not have prevented adoption of the oleo repeal bill on July 1, as claimed by Mr. Truitt.

The last portion of Mr. Truitt's letter points out that even after the margarine bill becomes effective, consumers in Delaware will not be able to purchase yellow margarine until existing State restrictions are lifted. To that I wish to state that as to the existence of present Delaware State laws regarding yellow margarine, it seems to me that our State legislature can safely be left to make up its own mind in this matter without bowing to the influence of the Federal Government.

I also want to comment briefly, Mr. President, concerning a particular section of H. R. 2023, as it is now written. In the bill there are two parts to the amendment numbered (12) as found in the legislation. The first part consists of an amendment to section 15 of the Federal Trade Commission Act. In substance, it defines misleading advertising in the case of oleomargarine. The second part of the amendment does not appear to be limited to oleomargarine. It is an amendment of general application to section 5 of the Federal Trade Commission Act. It would make each day's violation of any Federal Trade Commission order a separate offense and the violator subject to a \$5,000 civil penalty for each day's violation. The penalty would attach to all final orders of the Commission. It would apply, for illustration, in case of violation of an order of the Commission directing a respondent to cease and desist from engaging in an unlawful basing-point practice.

It has apparently come as a surprise to many persons who are not interested in the

butter-oleo fight that such a general amendment to the FTC Act is incorporated in this bill. They seem to feel that if it is desired to increase the penalties of the Federal Trade Commission Act separate legislation for this purpose should be introduced and referred to the Committee on the Judiciary.

I was contacted late yesterday by a representative of one of our largest companies in Delaware, who expressed concern to find that the oleo bill contains a general amendment to the FTC Act. I feel, because of its implications, that this section of the bill should be completely understood by the Senate before the acceptance of the conference report.

FREAR AMENDMENT HOLDS UP MARGARINE EDITOR, SUNDAY STAR:

Contrary to popular belief, the consumer fight for tax-free yellow margarine has not yet been won.

As you know, H. R. 2023 (the margarine repealer) as passed by the Senate contained an amendment by our own J. ALLEN FREAR which requires retail packages of yellow margarine to be in triangular form. The bill has now gone to conference where the Frear amendment will either be approved or stricken from the bill.

If this amendment becomes law, consumers will not be able to buy tax-free yellow margarine for an indefinite period. No machinery exists for packaging margarine in triangles. New machinery will have to be designed, built, and tested. This will take a long time. Estimates by the best qualified machinery manufacturers range from 1½ to 5 years.

Meanwhile, no yellow margarine would be available and when it became ready, it would cost consumers more because of new machinery costs.

For your information, the conferees have met three times in Washington without eliminating the Frear amendment and are scheduled to meet again on February 20. The Senate conferees are GEORGE, of Georgia; CONNALLY, of Texas; BYRD, of Virginia, and MILLIKIN, of Colorado.

The House voted down the triangular amendment when it originally voted on H. R. 2023. Hence, the House conferees can be expected to oppose the Frear amendment.

We believe that consumers should be able to purchase tax-free yellow margarine on the effective date of the bill, July 1, 1950—which the Frear amendment will prevent. Also, that consumers should be afforded protection against fraud and that such provision is provided in the bill, without the Frear amendment.

Even after the margarine bill becomes effective, consumers in Delaware will not be able to purchase yellow margarine until existing State restrictions are lifted.

PAUL T. TRUITT,
President, National Association of
Margarine Manufacturers.

FEBRUARY 13, 1950.

Mr. WILEY. Mr. President, I rise to speak in opposition to the adoption of the conference report.

I recognize that, to a certain extent, an attempt to oppose adoption of the conference report is an uphill job. Yet I feel that I would be unfaithful to my trust and to what I regard as my obligation in connection with one of the great issues in this country today if I did not take the time of the Senate to voice my convictions on this matter.

It seems to me that the significance of the decision we shall make on this matter will be far greater than perhaps appears on the surface of things.

Mr. President, the spread market in America, as we call it, amounts to ap-

proximately 2,500,000,000 pounds. Already the oleomargarine interests have taken a billion pounds of that spread market. There are in the United States 28 large oleomargarine-manufacturing companies, and they make 75 percent of the oleomargarine. On the other hand, I call attention to the fact that there are 2,500,000 small dairy farmers who, if the oleomargarine interests can take another 400,000,000 or 500,000,000 pounds of the spread market, will be virtually ruined. Such a development will mean that paralysis will slowly creep over the section of the Nation from which I come.

Although on the average approximately from 3 percent to 5 percent of the milk produced in my State is used for the making of butter, last month 11 percent of the milk produced in Wisconsin was used for that purpose. There are States where as much as 90 percent of the milk which is produced is used in the making of butter. So the proposition is not so simple as it would appear to be on the surface.

Mr. President, after the Senate in its wisdom adopted the Frear amendment, and thus required the great, overpowering organizations of wealth, the oleomargarine manufacturers which made \$70,000,000 last year, to identify their product so that there could not be any fraud, it seems to me that the Senate conferees have missed the boat in not standing pat on that amendment. In my humble opinion, the language contained in the conference report provision is just so much camouflage. Obviously, the dairy farmers have been "sold down the river."

Oh, yes, Mr. President; the Democratic platform agreed as to that provision; but I think the conferees have gone further than even the Democratic platform went. At the instance of the oleomargarine "bigsters" in this country, the Democratic platform contained a statement favoring removal of the tax on oleomargarine.

However, that is not what would be done by the conference report. The conference report would permit the oleomargarine manufacturers to take over for their product, the color of butter and the shape of butter and the taste of butter; and the conference report would permit the oleomargarine manufacturers to continue, by the same ways and means, to take over this market.

Mr. President, I say to you that this matter is most serious. Already in my State the 1949 farm income has dropped to 25 percent below the 1948 farm income. The average price for milk is \$2.85 a hundred. That is a little better than 5½ cents a quart. It is not possible to produce milk at a profit at that price. Aside from the milk which is used for the production of butter, what will happen to the rest of the milk? Obviously, it will have to be thrown away, dumped into the gutters. That will mean farm foreclosures; it will mean that another 2,000,000 or more farmers will have to leave the farms. It will mean a depreciated tax base, so that the Federal Government and the State governments will not get the taxes they otherwise would receive.

So, Mr. President, I cannot help but feel that the situation is very serious.

Wisconsin is 50 percent industrial and 50 percent agricultural. If the agricultural life of that State is severely hampered, grass will grow in the streets of the cities and villages. Moreover, Mr. President, the great market which the dairy farmers have constituted for practically every article produced in America will no longer exist. The dairy farmer is the best purchaser of manufactured products.

So, Mr. President, I respectfully urge, with all the power at my command, and with all due respect to the conferees, that the Senate refuse to accept the conference report, and that we try to get something else done about this matter.

Mr. President, I wish to address myself to two phases of this issue. The Senator from Georgia [Mr. GEORGE], in his usual clear and persuasive and logical manner, seemed to wipe out all objections and all question as to whether there is any side to this issue other than his side. As I said not long ago on another occasion, when I first came to the Senate the Senator from Georgia literally used to gather me up in his arms and smother me with his persuasive ability. Lord Erskine in the days of his prime, when he persuaded the juries of England, was no more persuasive than is the Senator from Georgia; and I have found that at times the ability of the Senator from Georgia as an advocate is not exceeded by his logic. He has been and is a great lawyer, a great judge, a great Senator, a great man. Of course he is fighting for what his section of this great country wishes to have. However, I shall not go into the question of what the conference report, if adopted, will mean to the farmers who produce cotton; I shall not go into the question of what it will mean to the cotton producers of the South if the dairy industry, the great agricultural industry in my section of the country is paralyzed; but of course it will mean a great deal to them.

Mr. President, I wish to address myself to two main points: First, the so-called sleeper provision, dealing with the new, stringent powers of the Federal Trade Commission, as proposed in the conference report; and, second, I wish to insist on the desirability of enacting into law the amendment of the Senator from Delaware [Mr. FREAR], requiring the triangular packaging of oleomargarine. Triangular packaging is the only type of identification at the retail level which we can be sure will really be effective.

If the conference report becomes law, as seems likely to be the case, thousands of inspectors will be needed if the law is to be made effective. The whole history of the way the oleomargarine manufacturers have operated in regard to selling their product indicates that not only are they super salesmen, but it is their intention to take over the entire market. In California they have sold oleomargarine at 15 cents a pound in some places, while in other places in the same State they have sold oleomargarine at a price increase of as much as 40 cents

or more. In short, they have used every possible means to take over the market.

In the Senate we attempted to include in the bill a provision outlawing the shipment of colored oleomargarine in interstate commerce, in instances in which the State itself prohibited such shipment. However, we could not obtain favorable action by the Senate on such a provision. Yet similar action has been taken in other cases—for instance, in respect to the shipment of liquor and the shipment of filled milk. However, the Senate would not listen as to that point. So the heart of America was stabbed with this kind of provision.

Mr. President, not only will thousands of inspectors be required, but many millions of dollars will have to be spent, if the conference report is adopted and is made effective. However, of course, its enforcement provisions will not be made really effective; and the result will be that the oleomargarine interests will be given a free hand.

I now come to the "sleeper" provision and also the amendment of the Senator from Delaware [Mr. FREAR] calling for the triangular packaging of oleomargarine, which is the only effective type of identification.

Yesterday on the floor of the House of Representatives the meaning of the Federal Trade Commission amendment was clearly brought out. Let me set forth the basic facts on this issue:

THREE LAWS ARE AMENDED BY OLEO BILL

First, May I point out as mentioned by the chairman of the House Agriculture Committee, Mr. COOLEY, that the present bill which we have before us amends three separate and distinct organic laws: (a) The Internal Revenue Code; (b) the Pure Food, Drug and Cosmetics Act; and (c) the Federal Trade Commission Act.

No one questions the right of the Senate Finance Committee to legislate with respect to the Internal Revenue Code. No one questions the right of the House Agriculture Committee, which also considered the oleo bill, to deal with legislation pertaining to the pure food and drug law. But, Mr. President, we ask which committee of the Congress has the right to prepare legislation amending the Federal Trade Commission Act? The answer is, unequivocally, the Senate and House Judiciary Committees. As a matter of fact, there is now pending before subcommittees of both of these groups legislation to strengthen the penalties of the FTC Act.

It is what the Federal Trade Commission has been wanting for a long time. Amendments were proposed and I am one of the guilty parties. Amendments were thrown in. In connection with one amendment, I asked whether there was a sleeper or an African in the woodpile, I have forgotten which. I was told there was not. But it has developed that there is one, and the appropriate committee has not held hearings in relation to it.

We who have fought for the dairy interests do not want drastic power imposed on all American business without thorough committee hearings. I have

before me a sheet of paper which came through the mail, in which, among other things, it is said:

The section on antitrust law of the New York State Bar Association, of which our general counsel, Mr. Charles Wesley Dunn, is chairman, has addressed a telegram of protest against this amendment of section 5 (1) to the chairmen of the House and Senate Judiciary Committees of Congress, and to the majority leaders of both Houses. That protest is a fundamental one against making a basic amendment of the Federal Trade Commission Act through this oleomargarine bill, without notice or committee hearings.

Mr. President, it may be that the oleo interests are so hungry for the remainder of the spread market, and it may be that Senators are so eager to concede to that hunger of the oleo people that they will disregard a fundamental law of procedure in this body. Somehow I feel that if we had a full attendance in the Senate, Senators might really give consideration to the argument. I do not think we should drastically increase the powers of the Federal Trade Commission, through procedure of this kind.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. WILEY. I yield.

Mr. FULBRIGHT. I desire to call the Senator's attention to the fact that when the matter was being discussed yesterday in the House, some of the strongest supporters of the Senator's position—that is, the strongest supporters of butter—specifically, Representative O'HARA of Minnesota stated:

It is my belief, in connection with the colloquy which arose over the penalty features of this bill both with regard to the Pure Food and Drug Act and Federal Trade Commission Act, that those provisions are sound legislation.

This is on page 3020 of yesterday's RECORD. Later, in the same statement, Mr. O'HARA said:

So there is nothing in this bill I am more favorable to than I am to those provisions because I think they are sound and right provisions.

That was the view of one of the strongest supporters of the butter interests. The Senator from Arkansas well knows that the provision was inserted at the request of one of the leading Republican members of the Senate Agricultural Committee. I think it is a little out of order to say it is a "sleeper," leaving the implication that some of us who are proponents of the bill slipped it in. We did nothing of the kind, and I think it should be made clear that the proponents of the bill had nothing to do with inserting it. But we could not logically oppose a provision designed to make the sale of margarine open and above-board, without fraud, and we therefore accepted it, not because we thought it was a "sleeper." I think we understood quite definitely what it was. I agree with the Senator from Georgia that there is nothing harmful in the amendment so far as I am able to see. It seems to me that on its merits,

aside from the margarine controversy, it is a perfectly proper amendment.

Mr. WILEY. Mr. President, if my good friend from Arkansas will read further in Representative O'HARA's statement, he will come to this statement:

But I am against this legislation which legalizes fraud and deception. I cannot see the throats of our American dairy farmers being cut by any type of legislation and no matter how you dress it up I could not vote for the conference report.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WILEY. I desire to carry on a little further at this time. There is no question that the facts as stated by my good friend from Arkansas are correct. He has demonstrated clearly that the word "sleeper" is appropriate, in that we were all asleep. [Laughter.] There is no question, no one at the time recognized that on an oleomargarine bill we were practically violating the procedure and changing the fundamental law in relation to the Federal Trade Commission Act, and so the word "sleeper" I use advisedly. It is no reflection upon any one Senator. I am really surprised that we are so wide awake, with the multitude of duties and with all the problems thrust upon us, with our mail and our visitors, attendance upon committees and on the Senate, and a thousand and one other things. But I am arguing now to the point that what it amounts to, as was so well stated by the distinguished gentleman quoted by my friend from Arkansas, is that we are encouraging and legalizing fraud and deception, and we are cutting the throat of the American farmer. I do not want to be guilty of any of those things.

So, Mr. President, I am carrying on with the argument. Those of us who read the debate in the House yesterday are aware of the new penalty provisions of the Federal Trade Commission Act, in conformity with the penal section of the Commodity Exchange Act, which was even more harsh. Even the Stockyards Act has contained similar provisions since 1921. That, however, is beside the point. I am questioning the procedural right of the Senate to proceed to amend an organic act without first having it considered by an appropriate committee. To me, we are getting into a hodgepodge way of legislating. Once we have amended an organic act in this manner, and once we discover our mistake, shall we have the wisdom to admit the mistake, and to retrace our steps? It would establish a precedent that would rise up to haunt us.

As was brought out by the able ranking minority member of the House Judiciary Committee, Mr. MICHENER, of Michigan, yesterday, wholly aside from the equities of the oleo-butter controversy, this vital point must be raised against the amendment: It violates the spirit of the Legislative Reorganization Act, in that it amends a basic statute by means of a rider not germane to the main purposes of the legislation.

Mr. President, let us see exactly what this new power given to the Federal Trade Commission is.

Let us refer to page 6, line 7, of the revised bill, which amends subsection E of section 5 of the Federal Trade Commission Act. The amendment adds a new sentence to the Federal Trade Commission Act, reading as follows:

Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Mississippi?

Mr. WILEY. I yield.

Mr. EASTLAND. The Senator is making a very able speech, and I should like to know whether he desires a quorum, provided he does not lose the floor. I ask unanimous consent—

Mr. GEORGE. Mr. President, I shall object to yielding the floor for that purpose. I have no objection to the Senator having a full audience, but we all have to proceed in this way.

Mr. WILEY. Mr. President, let us see what this means. It means that a business or organization which violates a final cease-and-desist order issued by the Federal Trade Commission, dated as of, let us say, March 15, 1951, would be subject to a penalty amounting up to \$5,000 for every single day of violation of the act, meaning on March 16, \$5,000; on March 17, \$5,000; and so on. Obviously within a rather short time a particular business could be bankrupt, particularly if it were a small enterprise. For example, 6 months' violation would cost \$900,000.

Mr. President, I have no brief whatsoever for business or other organizations violating cease-and-desist orders. But it is an obvious fact that many of these orders are highly controversial and that the Federal Trade Commission has in recent years assumed tremendous new powers, some of which are questioned by Members of the Senate as to whether or not they are really within the FTC's authority as originally intended by the Congress. So, Mr. President, we are confronted with the spectacle of the Federal Trade Commission being given this tremendous new penalty power, not just over oleomargarine offenses, but over all offenses in the statute books under the FTC law.

I repeat: I oppose oleo industry unfair trade practices with all the power at my command just as I oppose any other industry's unfair trade practices. But I do not want to see the Congress adopt a wild, shotgun approach against these practices without even allowing the affected legislative committee to study the problem.

Mr. President, we all realize, as was brought out by various southern Members of the House of Representatives yesterday, that the \$5,000 penalty is a maxi-

mum penalty, rather than a minimum penalty, and that it is entirely within the discretion of the United States district courts to impose. So we are not making extravagant claims and charges that every business violating a cease-and-desist order will become subject to these stringent penalties. We are, however, saying that the Senate of the United States has no business violating its own precedents and procedures in passing such a provision without having the implications thoroughly analyzed by the House and Senate Judiciary Committees. This I call clumsy legislation—attempting by clumsy procedure to enact a bill when its flaws and imperfections are admitted by opponents and proponents alike.

I ask, Mr. President, why are we in such a big rush? Is the Oleo Trust entitled to such special consideration, and is the small dairy farmer entitled to no consideration? To me it is a conundrum. The situation was different a year ago. A year ago the Oleo Trust spent approximately \$5,000,000 to propagandize its sales program, and it was sold to the housewives in the cities. It was sold on the theory that the tax increased the cost of oleo. As a result, every one of us received thousands of postal cards saying, "Repeal the tax."

Finally, Mr. President, the butter manufacturers woke up and started to tell the truth. They started to show what would happen if the bill were passed. I want everyone listening to me, in the galleries and on the floor of the Senate, to understand that if we pass the bill we shall, within 6 months, pay much more than the tax to the oleo manufacturers, because they are after the spread market; they want a monopoly. Only a small proportion of oleomargarine is sold colored, and is therefore subject to the 10-cent tax. All the rest of it is subject merely to a tax of one-half cent.

As I say, Mr. President, the dairy farmers finally woke up. They began to realize that they had been sold a phony bill of goods—just as labor is waking up to the fact that they were sold a phony bill of goods when they were told that the Taft-Hartley Act was a slave-labor act. I have asked laboring men if they are slaves and if the Taft-Hartley law interferes with their rights. A railroad man told me 3 weeks ago: "Everyone I see now is tickled to death. So far as we are concerned, we know now what becomes of the jack that goes into the pot that the 'bigsters' control. It is not a slave-labor act." That is the kind of propaganda the workers were sold. Their minds were filled with the poison of misrepresentation.

That is what happened also in connection with oleomargarine. We were told that if the tax were repealed a cheap product would result. I am not a prophet, nor the son of a prophet, but in California it has recently been shown that the differential in price as between oleo and butter is as much as 40 cents a pound. If butter is put out of business, what will happen? The price of oleo will go up.

We were willing to remove the tax, but we asked that the situation be so handled that the market of the dairy farmer for the commodity he produces would not be paralyzed. Instead of that, the Senate conferees gave in to the pressure and took away the protection afforded by the Senate amendment which prescribed the form in which oleo should be manufactured and sold.

Mr. President, I ask, again: What is the big rush? Why all this furious speed? Is it because the Oleo Trust and its friends realize that the more Congress studies the whole issue, the more our people will become aware of the menace of monopoly in the spread market?

So, with all due respect to my able colleagues, who have always been, I am sure, gentlemen in every respect, I feel that the cause of the dairy farmer is so vitally important in the economic political, and social life of the Nation that I urge that the conference report, for that one reason, be not agreed to.

Mr. President, I want to discuss the butter-oleo aspect of the question as such. I think the triangular amendment must be restored. The Senate said it should go into the bill, and in saying that, Mr. President, there was no selfishness on our part. It was an attempt to protect those persons whose forebears helped to build America.

We have pointed out that this oleo legislation is the type which future generations will regret our having passed. We may not see the end results of this legislation within the next few years, but those end results will come and they will be catastrophic for American dairying—dairying which is so essential to soil conservation, which is so essential to farm income, which is responsible for 40 percent of the beef supply and 60 percent of the veal supply eaten by the American people, which contributes about \$10,000,000,000 to the Nation's commerce, and which directly and indirectly involves the livelihood of 10,000,000 persons.

We know that the Oleo Trust is not interested in the consumers' welfare. We know that it threw up a smoke screen as to its alleged interest in 150,000,000 American consumers. The 28 large manufacturers who produce oleo, five of them producing 75 percent of the total amount, are interested principally in their own profits, and they know that their profits will be maximized if they can destroy the butter industry once and for all.

This year, butter production will total approximately 1,540,000,000 pounds.

This figure represents an increase because there is decreased demand for fluid milk and cream. But of this 1,554,000,000 pounds, it is expected that the Government's minimum butter purchases in order to fulfill parity obligations will be 155,000,000 pounds. In other words, of the 1,554,000,000 pounds a minimum of 155,000,000 pounds will be purchased by the Government.

I recall again that it was only a few months ago that once more the oleo interests had stepped into the picture and prevented the enactment of a law which would have provided our armed forces with butter. It would have taken off the Government's hands an additional 50,-

000,000 or 60,000,000 pounds of butter. The oleo interests won that fight. Those who in both Houses are pressing the present fight, and who will probably win it, are the ones who successfully waged the other fight. So the Government is buying the butter, and the chances are that oleo will make the market in the armed forces.

But, Mr. President, if we pass this legislation, the Government will be forced to buy still more butter. Per capita consumption of oleo last year was 5.6 pounds. Every single pound of oleo that is bought displaces a pound of butter. If oleo consumption were to increase by as much as 2 pounds per capita, the Government purchases of butter could approximate the huge figure of 537,000,000 pounds. Just think of that, Mr. President, 537,000,000 pounds.

Butter consumption has now fallen from 16 to 10 pounds per capita, and it is still going down. Why? Because the oleo trust can juggle the oleo price at will, whereas the dairy farmer is necessarily limited in his operations, and must operate according to the laws of supply and demand.

Mr. President, when Congress lightly tampers with the dairy industry, it is tampering with America's nutrition. It is tampering with milk, which is so necessary for adult and minor health, and which is the first source of calcium for the American people, the first source of riboflavin, the third source of protein, the third source of fat, and so many other health essentials. I realize, Mr. President, that that sounds like a generality. But if we look at the peoples of the earth who have had milk, we see the peoples who have made progress.

The oleo industry has accused the dairy men of being alarmists in predicting the doom of the butter industry. But, Mr. President, we have presented these estimates and analyses in a spirit of cool objectivity, and we have issued these warnings because the facts speak for themselves.

The only way in which we can prevent the doom of the butter industry is by the triangular packaging amendment. Even that amendment is inadequate, but it would be of some assistance if in the spread market today every time a triangular piece of yellow were observed there could be no doubt of its being oleo. Many people do not look at a mark, sign, or stamp, but they could not help noticing the triangular shape. The manufacturers of oleo know that. What a splendid job was done for them in removing that provision from the bill.

Sometimes, I almost become physically sick when I see what is being done to one of the great health and wealth producing industries of this country, which produces over \$10,000,000,000 for our economy.

I respectfully submit that the compromise which the conference committee agreed upon is really no compromise at all, because it practically gives the oleo trust everything it wanted, and destroys the one item which the dairy forces wanted; namely, triangular packaging.

Let us recall that the amendment offered by the Senator from Delaware [Mr. FREAR] was accepted by voice vote

on the Senate floor. I might say parenthetically that the Senator from Delaware is not now present, and he has requested me to ask the proponents of the report to defer a vote on it until tomorrow. I hope that request will be granted. I feel this should not be treated simply as a request by me. I am simply here as one voice crying in the wilderness, representing the economic and political health of a great segment of the country which does not want to be stabbed in the back. Let us recall, I repeat, that the amendment offered by the Senator from Delaware [Mr. FREAR] was accepted by voice vote on the Senate floor, and the Senator from Arkansas [Mr. FULBRIGHT] agreed to it. We should recall also that many manufacturers indicated that they could quite readily prepare machinery to accomplish the triangular packaging of oleo.

Suppose it should involve a little extra cost. They have an income of \$70,000,000 a year. Who are they, anyway? One of them, of course, is the English concern of which we have heard so much, Lever Brothers. They do not publish their statements. The stockholders are in England. But we know that they have ordered the construction of two \$25,000,000 oleo factories, one in California, and one on the east coast.

The voice of the little farmer is not heard. The few men who manufacture the product can well be called the oleo industry trust. The only way in which we can prevent the doom of the butter industry is by the triangular-packaging amendment.

Mr. President, think of what this country has done for the South, which is putting up this fight. Think of all the money that was shot into the South during the war period, think of all we have done for the cotton industry, the peanut industry, and the tobacco industry, and now we of the North are stabbed in the back by the same crowd who are getting all this largess from the Treasury of the United States.

Mr. President, to me at least it seems that the two and a half million dairy farmers are entitled to the real consideration which I am now outlining.

I respectfully submit that the compromise upon which the conferees agreed is really no compromise at all, because it practically gives the oleo trust everything it wanted, and destroys the one item which dairy forces desired to have agreed to, namely, the triangular-packaging amendment.

The other provisions of the conference report, I repeat, are quite mild. As stated yesterday by Representative ANDRESEN:

No. 1 is that when oleo is served in public eating places, first there must be notice in a public eating place or restaurant; secondly, it must be on the menu; third, the individual servings of oleo must be identified as oleomargarine, or it must be served in triangular shapes. Those requirements are for public eating places.

Then on the label of the 1-pound package in which oleomargarine is sold at retail the label must contain a statement of every ingredient. The outside label of the package of oleomargarine must show on the label separately that the oleo or margarine is made from cottonseed oil, peanut oil, soy-

bean oil, fish oil, butter flavor, skim milk, salt preservatives, and color. That must be specifically stated on the label so that everyone will know each of the ingredients and kinds of vegetable oil used in the manufacture of oleomargarine or margarine.

This is hardly a complete answer to the needs of American dairying.

We know that right now here in the District of Columbia there is a law on the statute books which provides for a poster, for example, to be placed in restaurants to advise that oleo is being served but you and I are quite aware that, as stated by Congressman ANDRESEN yesterday, probably 75 percent of the restaurants in Washington are serving oleo rather than butter without proper identification and without this poster.

Why? Because there is no real enforcement.

Mr. President, that brings to my mind the fact that in my debate at Town Hall with my distinguished friend, the Senator from Arkansas [Mr. FULBRIGHT], I called attention to the fact, as it appeared in the RECORD, that in his own State there are similar requirements, and that a check-up in the main cities of his State showed that the violations reached as high as 60 percent. Instead of complying with the notice, they went right on serving yellow oleomargarine to the poor folk who thought they were getting butter.

Mr. President, I say that if there is to be that kind of enforcement, under the conference report, there will be employed thousands upon thousands of people, and we will have to provide more overhead, or there will not be enforcement at all, and we will let the oleo people take over everything. That is the only natural conclusion that anyone who stops, looks, and listens can arrive at.

Yes, Mr. President, in Washington there is no real enforcement. All over this land, in States which have similar statutes, there is no real enforcement. So what is proposed to be done now is merely to pass another "piece of paper." We are just giving the opportunity to the Oleo Trust to take over the spread market.

WISCONSIN'S VITAL INTEREST

Mr. President, the eyes of the Nation's consumers are on the Senate today because they are watching how we deal with their nutritional needs. And the eyes of the Nation's agriculture are on us also. The farmers of the great State of Wisconsin, for example, America's dairyland, will not be fooled by the smoke screens which have been thrown up on this issue. My State ranks first in the production of practically all dairy products, except butter. During 1948, our dairy herds produced nearly 15,000,000,000 pounds of milk. This was 85 percent more than the second largest producer, and 13 percent of the Nation's total. We ranked third in butter production, after Minnesota and Iowa, and our figure ran around 11 percent of the Nation's total. But let me point out, Mr. President, that even this comparatively small figure is crucial because, as I have previously shown on many occasions on the Senate floor, butter is the balance wheel of the American dairy

industry. In the flush season, butter is absolutely indispensable as an outlet for fluid milk, unless that milk is poured down the sewers, or in the gutters, the creeks and rivers.

I urge my colleagues, therefore, to reconsider their stand. I urge even those of my colleagues who voted for the oleo version previously to take the minimum steps that I am urging: namely, that the drastic Federal Trade Commission penalty power be stricken by a new conference committee, and that the triangular packaging amendment be restored.

Mr. President, in connection with my remarks, I ask unanimous consent that a very terse, clear-cut statement on the vital importance of the triangular packaging amendment be printed in the RECORD. In the form of a telegram, it comes from Mr. Russell Fifer of the American Butter Institute, a man who is one of the foremost experts on the dairy industry's problems.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., March 8, 1950.

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The action in conference on the oleomargarine bill, H. R. 2023, removed the most important, practical and effective means of enabling consumers to distinguish readily between oleomargarine and butter. The amendment to H. R. 2023 proposed by Senator FREAR of Delaware was overwhelmingly approved by the Senate. It required that the net weight of the contents of the retail oleo package should not exceed one pound and that each part or parts of the contents of such package should be manufactured, prepared, and molded so as to be triangular in shape. The triangular shape recommended in the Frear amendment is the best method proposed to date for the honest identification of yellow oleo. It is universally accepted that consumers, as a rule, do not read labels carefully and clearly, frequently the grocers' refrigerated case will contain open cartons of butter and oleomargarine with quarter-pound prints intermingled, which encourages confusion. Imitation of butter's consistency, color, flavor, packaging, shape, size of print, vitamin A content, and melting point characteristics has reached a point where an effective means of distinguishing between yellow oleo and butter in the retail store for the protection of the consumer, must—underscore must—be made available. Identity through a characteristic shape, butter rectangular and oleomargarine triangular, would minimize confusion. Triangular shape would make the fraudulent substitution of oleomargarine for butter much more difficult. The American Butter Institute respectfully urges that the conference report be defeated and that a new conference be asked for and that the conferees of the Senate be instructed to insist upon the retention of the amendment providing for the packaging of yellow oleomargarine in triangular prism form.

RUSSELL FIFER,
Executive Secretary,
American Butter Institute.

Mr. WILEY. Mr. President, I ask for the yeas and nays on the adoption of the conference report.

The yeas and nays were ordered.

Mr. WILEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Brewster	Hunt	Myers
Bricker	Ives	Neely
Bridges	Jenner	O'Connor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Langer	Stennis
Eaton	Lehman	Taft
Ellender	Lodge	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarran	Thye
George	McCarthy	Tobey
Gillette	McClellan	Tydings
Graham	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	
Hoey	Millikin	

THE VICE PRESIDENT. A quorum is present.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered.

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a legal bulletin entitled "Proposed Increase of Penalties under the Federal Trade Commission Act," published by the Grocery Manufacturers of America, under date of March 3, 1950.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

PROPOSED INCREASE OF PENALTIES UNDER THE FEDERAL TRADE COMMISSION ACT

H. R. 2023 is a bill to regulate oleomargarine and to exempt it from certain taxes. The bill passed the House on April 1, 1949, and it thereafter passed the Senate with amendments on January 18, 1950. I direct your attention to the important fact that this bill, as recommended by the conferees, basically amends section 5 (L) of the Federal Trade Commission Act to increase penalties from \$5,000 per violation to \$5,000 for each day of violation of a final order of the Commission. As thus amended, section 5 (L) reads:

"Any person, partnership or corporation who violates an order of the Commission to cease and desist after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than \$5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense."

I emphasize the fact that this penalty is not confined to oleomargarine violations, but will reach any violation of a final order under the Federal Trade Commission Act. It would also, for example, authorize a Federal action for a \$1,000,000 penalty with respect to a 200-day violation of such Commission order.

The section on antitrust law of the New York State Bar Association, of which our general counsel, Mr. Charles Wesley Dunn, is chairman, has addressed a telegram of protest against this amendment of section 5 (L) to the chairmen of the House and Senate Judiciary Committees of Congress, and to the majority leaders of both Houses.

That protest is a fundamental one against making a basic amendment of the Federal Trade Commission Act through this oleomargarine bill, without notice or committee hearings.

F. T. DIERSON,
Assistant General Counsel, Grocery
Manufacturers of America, Inc.

Mr. AIKEN. Mr. President, first I wish to say that the Senator from Georgia has given a very clear and accurate analysis of the pending conference report, as approved by the conference committee. I desire to say a few words about the report before the vote is taken.

Contrary to the opinion of a good many persons, the issue of oleomargarine versus butter has not for some time been on the question of taxation. For a long time the dairy people have been willing to have all the taxes on oleomargarine removed. Personally, for a long time I have favored the removal of such taxes, as well as the removal of direct taxes on other food products.

However, there has been considerable apprehension, on the part of those who are interested in dairying, and who regard it as a very important segment of our national economy, lest there be enacted legislation which would permit oleomargarine to find its way onto the market and to compete against butter in an unfair or misleading or even in a fraudulent way. It was that fear which prompted some of us to insist upon the enactment of legislation which would effectively prevent the sale of oleomargarine as a dairy product or would prevent unfair representation or advertising of oleomargarine.

The bill as passed by the House contained only one or two safeguards against misrepresentation in the sale of oleomargarine. The safeguards contained in the bill as passed by the House were, first, to require that wherever oleomargarine was sold in a public eating place—

A notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items.

The bill as passed by the House also provided that—

Each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine, or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made thereof, unless each separate serving thereof is triangular in shape.

However, Mr. President, obviously those provisions did not afford protection to the dairy industry. I think the provision they afforded was wholly inadequate.

When the bill reached the Senate, it was referred to the committee; and in the committee and on the floor of the Senate eight additional safeguards were proposed and were added. One of them,

which was proposed by the Senator from Delaware [Mr. FREAR], would have required that oleomargarine be sold in triangular packages, even when used for home consumption, or be served in triangular portions. In the conference report, that provision was dropped. But the other seven safeguards which the Senate added have been retained. I should like to enumerate them briefly.

The first one of the safeguards which have been retained reads as follows:

(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless:

(1) such oleomargarine or margarine is packaged,

(2) the net weight of the contents of any package sold in a retail establishment is 1 pound or less,

(3) there appears on the label of the package (A) the word "oleomargarine" or "margarine" in type or lettering at least as large as any other type or lettering on such label—

Then the conference report adds another safeguard for the benefit of the consumer, as well as the dairyman—

and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine.

Mr. President, at the present time it is required that oleomargarine manufacturers state upon the package whether it is preponderantly a vegetable product or an animal product. The new provision requires that all the ingredients used must be stated on the package. Then we come to the third safeguard:

(4) each part of the contents of the package is contained in a wrapper which bears the word "oleomargarine" or "margarine" in type or lettering not smaller than 20-point type.

That is for the purpose of preventing the placing of four unlabeled quarter-pound packages of oleomargarine inside a package which is labeled, with the result that the smaller portions could be taken out and sold without having any identification on them.

The fourth safeguard, primarily for the benefit of the consumer, is—

(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.

I think the purpose there is perfectly obvious—in other words, to make sure that no foul material shall be used in the manufacture of oleomargarine.

The fifth safeguard is as follows:

(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.

That is known as the McCarthy amendment.

Mr. President, when I read that amendment, I approved it very much. The purpose is to prevent oleomargarine

from being sold or used as a dairy product. That is a very important amendment. But as I read it, it occurred to me that there was no way by which that provision could adequately be enforced and also that the oleomargarine manufacturers might erect all over the United States a series of billboards showing a beautiful dairy-farm scene, with red barns and with silos, and with a cornfield just beyond, and showing a few Guernsey cows in the foreground, and a good-looking girl with a milk pail on her arm going to the house. They might use a scene of that sort in their advertising, and thereby might give the people the impression that when buying oleomargarine they were buying a butter product.

I consulted the Federal Trade Commission about the possibility of the occurrence of such a thing. They said that if that happened, they probably could find the oleomargarine manufacturers guilty of violating the Federal Trade Commission Act in respect to misrepresenting their product, and could require them to pay penalty of \$5,000. But, Mr. President, the Federal Trade Commission authorities did not know how they could get the persons who used such advertising to take down the billboard signs, once the penalty was paid. In other words, the fine would amount to a license in the amount of \$5,000 for misrepresentation, which would be a very cheap fine, indeed. So I asked Mr. Kelley, general counsel of the Federal Trade Commission, to draft an amendment which would enable them to enforce an order to cease and desist from such misrepresentations of their product. He then sent me the amendment, which was adopted by the Senate, and which has been retained by the conferees. I think it a very vital part of the bill.

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Missouri?

Mr. AIKEN. I yield.

Mr. DONNELL. I desire the RECORD to show at this point what I think is a rather important change. At first glance, it looks to be very small, but the conferees have attempted to amend subsection L of section 5 of the Federal Trade Commission Act, whereas the bill as passed by the Senate undertook to amend subsection E of section 5.

While on my feet, I may say I think if the amendment of section 5 of the Federal Trade Commission Act had applied to subsection E there might have been very considerable question as to whether the amendment applied to final orders only.

Subsection E does not make any mention of final orders, whereas subsection L makes such mention. Therefore, I may say I think in that particular respect the conferees have rendered a real service in connection with the bill. They have obviously made the amendment applicable to final orders, whereas there might have been a question as to whether the amendment would be applicable to subsection E or might have been applicable to nonfinal orders.

Mr. AIKEN. I may say the amendment to subsection E was very obviously a mistake. But I want to say the proposal of the amendment, which provides:

Each separate violation of such an order—

Mr. DONNELL. May I ask the Senator a question in that connection?

Mr. AIKEN. Yes.

Mr. DONNELL. Does he not consider there is substance in the point I have made?

Mr. AIKEN. I think there is.

Mr. DONNELL. And does the Senator not think the changing of subsection (1) clarifies the fact that the amendment applies to final orders only?

Mr. AIKEN. I think it does. I may say to the Senator from Missouri that I was thinking in terms of subsection (1) all the time, any way. I did not realize there was a misprint, until the Senator from Missouri advised us of it a moment ago. But the amendment itself provides:

Each separate violation of such an order—

That is, an order of the Federal Trade Commission—

shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the commission each day of continuance of such failure or neglect shall be deemed a separate offense.

I quote a paragraph from the letter I received from Mr. W. T. Kelley, general counsel of the Federal Trade Commission, under date of January 12, 1950:

This language is patterned after comparable provisions in sec. 314 (a) of the Packers and Stockyards Act of 1921 and will, in my opinion, remedy a defect in the present Federal Trade Commission Act. Under the present Federal Trade Commission Act penalty provision, a course of conduct over a considerable period of time might be deemed to be a single continuing offense, and no matter how flagrant the violation, subject only to the single maximum penalty of \$5,000. Note that the proposed language is not a fixed daily penalty but simply gives the court the discretion to impose a penalty of not more than \$5,000 for each day of a continuing violation.

I may say the amendment was not a sleeper. I realized it would apply to all commodities when I offered it. In fact, I had in mind the case of maple sugar and the misrepresentation of other types of sirup falsely represented to be maple sirup.

Mr. President, I ask unanimous consent that Mr. Kelley's complete letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 12, 1950.

HON. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: I am transmitting herewith, as you requested, a suggested amendment to the amendments proposed by Mr. McCARTHY to H. R. 2023, the oleomargarine bill. It is suggested that there be added to the proposed new section 4 of the bill, beginning on page 2 of Mr. McCARTHY's amendment, between lines 18 and 19, the following language:

"(c) Section 5 (1) of the Federal Trade Commission Act, as amended, is amended by inserting at the end thereof the following new language: 'Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.'"

This language is patterned after comparable provisions in section 314 (a) of the Packers and Stockyard Act of 1921 and will, in my opinion, remedy a defect in the present Federal Trade Commission Act. Under the present Federal Trade Commission Act penalty provision, a course of conduct over a considerable period of time might be deemed to be a single continuing offense, and no matter how flagrant the violation, subject only to the single maximum penalty of \$5,000. Note that the proposed language is not a fixed daily penalty but simply gives the court the discretion to impose a penalty of not more than \$5,000 for each day of a continuing violation.

In drafting a proposed bill for early submission to Congress to amend the Clayton Act and provide similar penalty provisions to those now found in the Federal Trade Commission Act, the Commission intends to recommend a similar provision for the Clayton Act in a very short time.

Sincerely yours,

W. T. KELLEY,
General Counsel.

Mr. AIKEN. I want to say that although we are inclined to mention certain of our Federal agencies only when we seek to find fault with them, I have had a very happy experience over the last year with the Federal Trade Commission. I found there were so many violations of the law in connection with maple sugar and maple sirup, with the serving of almost any kind of sirup as maple sirup, that I entered a complaint with the Federal Trade Commission. The Commission has done excellent work. In their own way, they have persuaded the largest manufacturer of blended sirup in the country to change its labels and its advertising, and to advertise the content of their product for exactly what it is—15 percent maple sugar, 85 percent cane sugar. I want to give credit to the Federal Trade Commission for the good work they have done in the case of maple sugar and sirup sales. I have confidence the Commission will operate efficiently and effectively in the oleomargarine field, in case there are serious violations.

I was referring to the safeguards which were inserted in the bill by the Senate. The seventh one I think is of a more technical nature, providing for a tightening up of the definition of "oleomargarine," as I understand. I am not sure what the technical effect of it is, but I understand it is designed to tighten up the definition.

Furthermore, Mr. President, an additional safeguard which should not be overlooked is that the bill as it comes from the conference committee still prohibits the sale of yellow oleo in about 20 States that have their own laws against its sale, including the great State of New York.

So I believe that the bill as approved by the conferees will safeguard the dairy interests about as much as it is possible to do by law. Probably the adoption of the Frear amendment requiring all oleo

to be sold in triangular form would have added another safeguard, but I think we are very fortunate in retaining the ones we have—six out of the seven inserted by the Senate.

I should certainly hope the report will not be sent to the conference committee. From the standpoint of the dairy interests I do not think we would obtain anything better. However, I repeat what I said when the bill was being debated on the floor of the Senate, that, in my opinion, the consumer is going to pay more for oleomargarine as a result of it. I believe that when colored oleomargarine is sold without any tax in about half the States the manufacturers and dealers rather than the consumers will probably benefit from the removal of the tax. The net result will likely be higher prices for yellow oleo to the consumer, but I do not think we should send the bill back to conference. I think the dairy interest of the country is probably better protected against fraud and misrepresentation in advertising on the part of the oleo industry than it has been heretofore. I think the best thing for the Senate to do is to agree to the conference report.

Mr. FULBRIGHT. Mr. President, I do not intend to speak to the substantive parts of the report, which have been fairly covered in the debates. The senior Senator from Vermont [Mr. AIKEN] has discussed the conference report very thoroughly and adequately. I have but a few points I wish to make, after which I shall place in the RECORD certain material which I desire to call to the attention of the Senate.

I have in my hand an original letter addressed to me by the general counsel of the Federal Trade Commission, Mr. W. T. Kelley, which gives a little more in detail the interpretation of the so-called Aiken amendment to the McCARTHY amendment. The senior Senator from Georgia explained it, in the colloquy which took place a few moments ago, and I do not think it will add anything for me to read it. However, I think it will be useful to certain Senators to have it available in the RECORD, so I ask unanimous consent to insert the letter in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, March 7, 1950.

HON. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: You requested some comments from me regarding the scope and interpretation of the language in H. R. 2023 amending section 5 (1) of the Federal Trade Commission Act by providing that in the case of violation of a final order to cease and desist through continuing failure or neglect to obey the order each day of such continuance shall be deemed a separate offense.

To provide a background I will briefly describe provisions of the present statute. When the Federal Trade Commission has reason to believe that any person has violated section 5 of its act by engaging in an unfair method of competition or an unfair or deceptive act or practice in commerce, it issues a formal complaint stating its charges. After a hearing and the taking of

testimony on any controverted issues of fact, the Commission makes a decision on the record and issues findings of fact and an order requiring the parties to cease and desist from whatever violations of law are disclosed by the record. Any party subject to such an order may file a petition for review of the proceeding in the Court of Appeals. These orders become final upon affirmance in the courts or after 60 days from date of service if no petition for court review has been filed. After the order has become final, the parties become subject to a civil penalty of not more than \$5,000 for each violation, recoverable in a suit by the United States.

Nothing in H. R. 2023 changes the above provisions in any way. The new language simply provides that in those infrequent cases where the violation is a single act or course of conduct continuing over a period of time the Government is not limited to a maximum penalty of \$5,000, and may seek a daily penalty.

Under existing law a party subject to a Commission order requiring the abandonment of certain false advertising claims would be subject to a penalty of up to \$5,000 for each false advertisement in violation of such an order. There are instances involving a great many violations of such an order, each a separate offense, and where the maximum penalty would run into millions of dollars. The Commission has never recommended to the Attorney General, and the Attorney General has never sued for any such astronomical sums, and it is inconceivable to me that any Federal court would impose penalties under this section which are not reasonably related both to the seriousness of the offense charged and the size and resources of the defendant.

The language in H. R. 2023 is, of course, of general application and would apply to all orders to cease and desist under the Federal Trade Commission Act, not just those involving oleomargarine. It would apply, as I see it, only to those instances where a continued course of conduct constituted but a single violation of the order. For instance, if an advertiser of oleomargarine, or of butter, for that matter, subject to an order against false advertising were to embark on a campaign of radio advertising in violation of the order, each separate dissemination of the false claim in violation of the order would still constitute a separate violation. But if such advertiser were to place a billboard or a large electric sign in a prominent place and leave it over a period of time in violation of the order, this would constitute a continuing failure or neglect to obey the order, and, under the proposed new penalty, the Government would not be limited to a \$5,000 penalty for a single offense.

The principal value of the amendment to the Commission would be in the field of price fixing and continuing conspiracies in restraint of trade. The courts have held in numerous cases that a continuing conspiracy is but a single offense. The Commission has hundreds of orders to cease and desist under section 5 of the Federal Trade Commission Act against conspiring and combining to fix prices or control production. These orders involve many of the country's basic industries. In cases of violation of such orders through a continuing conspiracy to fix prices or control production, the language of H. R. 2023 would permit, but not require, the Federal courts to impose penalties commensurate with the offense and more reasonably related to the advantages accruing to the defendants from the violation.

The Commission has orders against continuing price-fixing conspiracies involving entire basic industries such as cement, salt, electrical equipment, and various iron and steel products. The continuance of such practices in violation of Commission orders could result in injury to the public running

into millions of dollars annually, and under existing law the maximum penalty is limited to \$5,000.

The language is not novel, and there are many precedents in other statutes, particularly section 314 (a) of the Packers and Stockyards Act of 1921.

Sincerely yours,

W. T. KELLEY,
General Counsel.

Mr. WILEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. FULBRIGHT. I yield.

Mr. WILEY. Does the Senator agree with the conclusion of the senior Senator from Georgia that the language of the particular amendment about which the Senator is speaking is so clear and definite that the suggestion that one could step aside to obtain the expression of ideas of someone else, would not apply? Does the language itself definitely and clearly state its meaning, without ambiguity?

Mr. FULBRIGHT. I think it does.

Mr. WILEY. I thank the Senator.

Mr. FULBRIGHT. I also agree with the interpretation that it is designed and intended to cover the whole field, and not merely oleomargarine. I have examined it as closely as I could, and in view of the letter, which is in conformity with the explanation given by the Senator from Georgia, I am inclined to think it is a good amendment, aside from the effect which it may have on oleomargarine. But I want to recall to the Senate the fact that it was offered by those who are in opposition to the bill. I could not, in good conscience, oppose an amendment reasonably designed to prevent fraud, just as I could not oppose some other amendments which were offered.

I now pass on to the Frear amendment which has received considerable discussion, and I wish to remind the Senate that that amendment, which had not been presented to the committee with testimony offered in support of it on its merits, was offered during the discussion on the floor, as shown on page 484 of the CONGRESSIONAL RECORD on January 17. The sponsor of the amendment did not offer any evidence in connection with it. It was not a practical amendment. By that I mean that it could be adapted to the production of margarine without undue cost and delay. On that point, I think the evidence is very clear, from representatives of the manufacturers of the machinery used in the packaging of margarine and butter, that it would cost a great deal of money and would take an indefinite time. None of them was willing to say how long it would take. One of the witnesses representing one of the largest companies in the field estimated that it might take as long as from 2 to 5 years to make the machinery.

I do not wish to read all this, Mr. President, because I know the Senate is anxious to get on with its business. I only call attention to letters which I wish to insert in the RECORD at this point, dealing with the question of the practicability of the Frear amendment. The letters come from the Rhinelander Paper Co.,

of Rhinelander, Wis., a company which makes packaging machinery for butter as well as for margarine. Their contention is that it would be unduly expensive and very difficult to make the machinery.

Another letter is from the Lynch Corp., of Toledo, Ohio, and there is also a letter from the F. B. Redington Co., of Chicago, Ill.

I also have here a statement by Mr. John E. Slaughter, Jr., representing the Girdler Corp., of Louisville, Ky., to which reference has been made. I ask unanimous consent that these documents be inserted in the RECORD at this point in my remarks.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

RHINELANDER PAPER CO.,

Rhinelander, Wis., February 17, 1950.

Mr. PAUL TRUITT,
National Association of Margarine
Manufacturers, Washington, D. C.

DEAR MR. TRUITT: Attached is a copy of a letter we air mailed to Senators GEORGE, MILLIKIN, BYRD, and TAFT.

The type of testimonial which might be very impressive for the committee, if witnesses are allowed, would be a technical editor of such a magazine as Modern Packaging or Packaging Parade. Such testimony would be completely unbiased because such experts in a professional capacity have no particular interest in any specific product but are extremely well qualified to discuss the problems involved in any given packaging operation. They could explain clearly, concisely, and authoritatively just what a triangular package would entail—the months and perhaps a year or two to develop and produce the necessary machinery, the needless loss in scrapping existing machinery, the added expense which would certainly be passed along to the consumer, etc. This is just a suggestion and it may already have occurred to you. Its principal merit is, of course, that it would be expert testimony from an unbiased source.

Very truly yours,

ALAN E. PRADT.

FEBRUARY 16, 1950.

The Honorable WALTER F. GEORGE,
United States Senate,
Washington, D. C.

DEAR SENATOR GEORGE: This letter concerns the Frear amendment requiring a triangular package for colored margarine.

The stated purpose of this amendment is to make sure that colored margarine is always identified. Actually, it would impose such extraordinary problems in packaging technique, and high costs, as to kill the sale of the colored product. If the latter is the true purpose of the amendment, it will certainly succeed in its purpose, but surely it would be a devious means of defeating the avowed spirit of the new law. If the purpose is truly to identify colored margarine, we respectfully argue that this can be done by much simpler means within the limitations of modern packaging procedure. For example, a standard-shaped package would incorporate some symbol or device in its printed design proclaiming unmistakably the contents to be margarine.

It is theoretically possible, of course, to make a triangular package—just as it is possible to make an automobile with seven wheels, but both are equally impractical. The proposed new package would involve enormous expense for new equipment and its development and scrap vast production lines which are the result of tremendous engineering effort and great investment of money. We believe the amendment was conceived by laymen innocent of packaging problems who

do not realize what hardships this snap proposal would entail.

We speak as manufacturers of papers used primarily for protective food packaging. Sometimes our whole staff must work for months to make a paper run smoothly on a specific packaging machine in conjunction with corps of experts of all kinds with associated industries—mechanics, printers, ink makers, etc. We therefore feel qualified to enter into this argument. We speak also, we think, completely without selfish bias, since our papers package both butter and margarine, and our business remains level even as the competitive position of these two foods changes. But we speak primarily in the interests of justice and fair play.

Won't you please consider that this amendment has such preposterous and insurmountable requirements that, if passed, it will definitely neutralize the very purpose of the bill which is intended to eliminate the present discrimination against margarine.

If your main concern is to see that margarine is always readily identified as such, won't you agree that there are better ways to do it than by passing the Frear amendment?

Very truly yours,

ALAN E. PRADT,
Vice President, Rhinelander Paper Co.

LYNCH CORP.,

Toledo, Ohio, February 2, 1950.

HON. J. WILLIAM FULBRIGHT,
Senator from Arkansas,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Lynch Corp. is probably the largest manufacturer of packaging machinery for the oleomargarine industry. We have several millions of dollars worth of equipment now operating in the plants of the industry.

We are deeply concerned by the Frear amendment to the oleomargarine bill. First, it would obsolete these millions of dollars worth of equipment; and second, it would require 2 or 3 years of development work to attempt to produce equipment that would package oleomargarine in accordance with this amendment.

We are not ready to say that such a machine could not be made but even our long experience in developing intricate packaging machines does not enable us to say that it can be done. Only time and a very substantial investment could possibly answer the question.

Our machines are designed to form prints, wrap, and carton both butter and oleomargarine. We build machines to form prints in one-fourth-pound, one-half-pound, and 1-pound sizes. However, of necessity with our equipment, all are rectangular in shape. Our most widely used machine form one-fourth-pound prints, wrap them individually in parchment, assemble four prints, and place them in a carton.

Our machines can be made to produce three different shapes of packages commonly known as Elgin style, eastern flat, and western style. Probably the majority of oleomargarine is packaged in the western style package.

We believe that the buying public would be more adequately protected if oleomargarine was packaged in any one of the present standard packages and overwrapped and sealed than by the method proposed in the Frear amendment.

Such a method would not obsolete present equipment; would only require an additional overwrap machine, and would make colored margarine immediately available in all States in which the sale is now permitted.

Such a method would prevent tampering by the customer in self-service stores or by the vendor, and would insure the delivery of the product to the ultimate customer exactly as produced under such laws as may govern the manufacture.

If our organization can be of any assistance to you or your committee in finding a practical solution to this problem we hope you will feel free to call on us.

Respectfully,

M. H. PENDERGAST,
President.

F. B. REDINGTON CO.,
Chicago, January 27, 1950.

HON. J. WILLIAM FULBRIGHT,
Senator from Arkansas,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Because the F. B. Redington Co. has manufactured packaging machinery for oleomargarine and margarine for about 33 years, and because our machines are in use in almost every margarine plant in the United States, we have followed with great interest the repeal of the Federal Tax on colored margarine.

The Frear amendment to this bill will prove to be a serious deterrent to the production of colored margarine for the following reasons:

1. No machinery has been designed, let alone built, for forming triangular prints or blocks or for the wrapping and cartoning of triangular blocks.

2. Even if acceptable machinery for forming such prints and wrapping and cartoning them is ultimately found to be feasible undoubtedly 2 years' time will be required before such machinery can be proved.

3. Thereafter another 2 years at least will be needed to supply machinery of this type necessary to equip the industry.

4. Almost certainly if we, or competitors of ours, are able to produce machinery capable of producing triangular blocks, and machinery for properly wrapping and cartoning them, such equipment will operate at slower speed than equipment now used for packaging rectangular packages.

5. Even if acceptable means are ultimately developed for forming, wrapping, and cartoning triangular blocks, the placing of such blocks in shipping containers to transport them either by truck, express, or railroad will be a serious additional expense.

6. Colored margarine in the now-used rectangular shape could be produced promptly, and with practically no additional expense outlay, on equipment that margarine manufacturers now have.

Very truly yours,

CHAS. L. BARR,
Executive Vice President.

STATEMENT OF JOHN E. SLAUGHTER, JR., VICE
PRESIDENT OF THE GIRDLER CORP., LOUISVILLE,
KY.

In making this statement, some background of my company is in order. Our business is an engineering and manufacturing organization. Since our organization, we have concentrated on the development of novel processing apparatus. Our staff is composed largely of development and design engineers. The Girdler Corp. developed the first fully closed, continuous apparatus for manufacturing margarine. The apparatus is widely used in the industry today, and our technologists are versed in all phases of margarine processing. In addition to machinery we engineer, design, and complete margarine plants.

There is no machinery available, or even designed to form or wrap margarine in triangular shape. My company has built printing-forming machinery for use in margarine manufacture. We have designed and manufactured special forming and wrapping machinery for ice-cream products.

In discussing the problem of designing machinery to form and wrap a product of the consistency of margarine in triangular shape, our engineers are of the opinion that the problem is fraught with very real and

practical limitations. At the stage of the process where margarine is shaped or formed, it is of a soft, plastic consistency. Retention of the triangular shape in the wrapping operation is doubtful. A misshapen print would tend to jam the wrapping machine and interrupt operation repeatedly. Steady, efficient, low-cost production cannot be maintained under such circumstances. A triangular piece would be difficult to group in four pieces to form a pound package of four one-quarter-pound prints. All molding and packaging machinery is built around the product. Solid products or liquid products are more susceptible to packaging in triangular form than a plastic fat product. The inherent stickiness of the product complicates the problem beyond any apparent solution. Furthermore, when required to mold a fat product into triangles, where except for the small ends, no two sides would be equidistant parallels, it becomes an impossibility to mold it and package it on any known or conceivable machinery.

Having spent a number of years in planning engineering development work, it has been my experience that any major development project requires a minimum of 2 years from the date of conception to the completion of the first test machine. It must be emphasized that, to my knowledge, there is not even a conception of how to approach the solution of this problem. I am familiar with butter and margarine packaging machinery built in England and Europe. None of these can be employed to produce triangular shaped prints.

I have consulted the largest United States manufacturer of butter and margarine printing and wrapping machinery, Mr. M. H. Pendergast, president of the Lynch Manufacturing Co., Toledo, Ohio, and he advised me he sees no means of designing or building such a machine. Another leading manufacturer of package machinery, Mr. Charles L. Barr, executive vice president, F. B. Redington Co., Chicago, told me that the idea seemed so impractical to them that he questioned that his company would spend any money on such a speculative development.

My own company has achieved its limited success by undertaking presumably difficult development projects. However, I share Mr. Pendergast's and Mr. Barr's views on this subject.

It is impossible to convert the existing machinery now used in this industry to produce a triangular print. Therefore, all existing printing and wrapping machinery is rendered useless and obsolete.

Now, let's assume that my company or any designer or manufacturer of package machinery would undertake this development project. I have previously stated that it is probable that 2 years would elapse before any company could complete their design, tool up to manufacture, and complete the first machine. This machine would have to be plant tested—another indefinite period. Invariably mechanical and design difficulties are encountered in the course of such a development. Several hundred machines would be required to meet the industry's present production requirements. A period of 2 or possibly 3 years would elapse, after the first machine is built, before the industry's requirements for package machinery could be met. If my estimates are correct, and I firmly believe they are, it would mean that no colored margarine would be produced for a period of from 2 to 4 years. This opinion is confirmed by both the F. B. Redington Co. and the Lynch Manufacturing Co.

On the basis of information at my disposal, and nearly 20 years' experience in engineering development organization, I could hardly recommend that my company undertake such a costly and speculative project. I can assure you that my company has never been timid in undertaking research that offered a reasonable chance of a fair return.

Printing, wrapping, and cartoning machinery for producing the present style one-quarter pound print, with a capacity of 2,200 pounds per hour, costs in the order of \$17,000. If it could be developed, a highly special machine for producing an unusual shaped print would obviously cost considerably more. A conservative estimate, if it were available, of the total cost to the industry for such new package machinery would be in the magnitude of \$2,500,000 to \$5,000,000.

Mr. FULBRIGHT. Mr. President, I desire to mention one or two other points. The House of Representatives voted on this conference report on yesterday. The vote was 262 to 106. While we do not usually refer in a critical manner to the action of the other body, I think the talk and the undue alarm with reference to the effect on the dairy industry should be considered in the light of that vote, because I believe the Members of the House of Representatives are as much entitled to be concerned about the welfare of their constituents as are Senators.

I hope the Senate will adopt the conference report, and, at long last, after approximately 64 pairs, permit the repeal of the discriminatory provisions.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Brewster	Hunt	Myers
Bricker	Ives	Neely
Bridges	Jenner	O'Connor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Langer	Stennis
Eaton	Lehman	Taft
Ellender	Lodge	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarran	Thye
George	McCarthy	Tobey
Gillette	McClellan	Tydings
Graham	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Wiley
Hayden	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	
Hoey	Millikin	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the conference report. The yeas and nays having been ordered, the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] is absent because of illness.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from Rhode Island [Mr. LEAHY] are necessarily absent.

The Senator from Delaware [Mr. FREAR], the Senator from Louisiana [Mr. LONG], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Utah

[Mr. THOMAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. LONG] is paired on this vote with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Utah would vote "nay."

If present and voting, the Senator from Connecticut [Mr. BENTON], the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Florida [Mr. PEPPER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is absent on official business, and is paired with the Senator from South Dakota [Mr. MUNDT] who is absent by leave of the Senate. If present and voting, the Senator from Washington would vote "yea," and the Senator from South Dakota would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is absent on account of illness.

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

The Senator from Michigan [Mr. FERGUSON] is detained on official business.

The Senator from California [Mr. KNOWLAND] is absent on official business.

The result was announced—yeas 59, nays 20, as follows:

YEAS—59

Aiken	Holland	Maybank
Anderson	Hunt	Millikin
Brewster	Ives	Myers
Bricker	Johnson, Colo.	Neely
Bridges	Johnson, Tex.	O'Connor
Butler	Johnston, S. C.	O'Mahoney
Connally	Kefauver	Russell
Darby	Kem	Saltonstall
Eastland	Kerr	Smith, Maine
Ellender	Kilgore	Smith, N. J.
Flanders	Lehman	Sparkman
Fulbright	Lodge	Stennis
George	Lucas	Taft
Gillette	McCarran	Thomas, Okla.
Graham	McClellan	Thye
Green	McFarland	Tobey
Hayden	McKellar	Tydings
Hendrickson	McMahon	Watkins
Hill	Malone	Williams
Hoey	Martin	

NAYS—20

Byrd	Humphrey	Schoeppel
Cordon	Jenner	Taylor
Donnell	Langer	Wherry
Dworshak	McCarthy	Wiley
Eaton	Magnuson	Withers
Gurney	Morse	Young
Hickenlooper	Murray	

NOT VOTING—17

Benton	Downey	Mundt
Cain	Ferguson	Pepper
Capehart	Frear	Robertson
Chapman	Knowland	Thomas, Utah
Chavez	Leahy	Vandenberg
Douglas	Long	

So the report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3159) granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the

following enrolled bills, and they were signed by the Vice President:

S. 88. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearne Findley, a minor;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah;

S. 1310. An act for the relief of Pierre E. Lefevre;

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1413. An act for the relief of Maria Margarete Otto;

S. 1447. An act for the relief of John M. Hart;

S. 1552. An act for the relief of Ernest E. Heintz;

S. 1737. An act for the relief of George M. Vaughan;

S. 1764. An act for the relief of George K. Haviland;

S. 2125. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others;

S. 2429. An act for the relief of Henrique Santos; and

S. 2441. An act to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States and the Air National Guard of the United States on active duty in the National Guard Bureau.

DISPLACED PERSONS

The Senate resumed the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. LUCAS. We have been debating for some time H. R. 4567. Out of the welter of confusion and debate, charges, and countercharges, it may be that we may finally reach a unanimous-consent agreement for a vote on the bill. At least, I shall make another attempt to see whether or not my colleagues will agree to it.

I ask unanimous consent that further consideration of the pending measure, H. R. 4567, be postponed until March 31; that on that day, beginning at the hour of 12 o'clock, debate upon any amendment which may be proposed to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948 shall be limited to 30 minutes, except that upon the amendment in the nature of a substitute debate shall be limited to 1 hour on each side, the time to be equally divided between those favoring the bill and those opposed thereto, the time to be controlled respectively by the Senator from Nevada [Mr. McCARRAN] and the Senator from West Virginia [Mr. KILGORE]; provided that no amendment which is not germane to the subject matter of the bill shall be received.

Mr. DONNELL. Mr. President, reserving the right to object, may I have the Senator's leave to inquire of the Senator from Nevada [Mr. McCARRAN] whether in his opinion the proposed vote on March 31 will be preceded by the completion of the printing of the testimony by at least 2 or 3 days?

Mr. McCARRAN. In my judgment, that can be accomplished.

[PUBLIC LAW 459—81ST CONGRESS]

[CHAPTER 61—2D SESSION]

[H. R. 2023]

AN ACT

To regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is repealed.

SEC. 2. Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed: *Provided*, That such repeal shall not be construed to entitle any manufacturer, wholesaler, or retailer to a refund of any occupational tax heretofore paid.

SEC. 3. (a) The Congress hereby finds and declares that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such or which is otherwise adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act depresses the market in interstate commerce for butter and for oleomargarine or margarine clearly identified and neither adulterated nor misbranded, and constitutes a burden on interstate commerce in such articles. Such burden exists, irrespective of whether such oleomargarine or margarine originates from an interstate source or from the State in which it is sold.

(b) Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331), is amended by adding a new paragraph as follows:

“(m) The sale or offering for sale of colored oleomargarine or colored margarine, or the possession or serving of colored oleomargarine or colored margarine in violation of sections 407 (b), or 407 (c).”

(c) Chapter IV of such Act, as amended (21 U. S. C. 341 and the following), is amended by adding a new section as follows:

“COLORED OLEOMARGARINE

“SEC. 407. (a) Colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced shall be subject in the same manner and to the same extent to the provisions of this Act as if it had been introduced in interstate commerce.

“(b) No person shall sell, or offer for sale, colored oleomargarine or colored margarine unless—

“(1) such oleomargarine or margarine is packaged,

“(2) the net weight of the contents of any package sold in a retail establishment is one pound or less,

“(3) there appears on the label of the package (A) the word ‘oleomargarine’ or ‘margarine’ in type or lettering at least as

large as any other type or lettering on such label, and (B) a full and accurate statement of all the ingredients contained in such oleomargarine or margarine, and

“(4) each part of the contents of the package is contained in a wrapper which bears the word ‘oleomargarine’ or ‘margarine’ in type or lettering not smaller than 20-point type.

The requirements of this subsection shall be in addition to and not in lieu of any of the other requirements of this Act.

“(c) No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items. No person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless (1) each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine, or (2) each separate serving thereof is triangular in shape.

“(d) Colored oleomargarine or colored margarine when served with meals at a public eating place shall at the time of such service be exempt from the labeling requirements of section 403 (except (a) and 403 (f)) if it complies with the requirements of subsection (b) of this section.

“(e) For the purpose of this section colored oleomargarine or colored margarine is oleomargarine or margarine having a tint or shade containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, but with an excess of yellow over red, measured in terms of Lovibond tintometer scale or its equivalent.”

(d) Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U. S. C., sec. 342) is amended by adding a new subsection (e) as follows:

“(e) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.”

SEC. 4. (a) Section 15 of the Federal Trade Commission Act, as amended, is amended by inserting “(1)” after the letter “(a)” in subsection (a) thereof, and by adding at the end of such subsection the following new paragraph:

“(2) In the case of oleomargarine or margarine an advertisement shall be deemed misleading in a material respect if in such advertisement representations are made or suggested by statement, word, grade designation, design, device, symbol, sound, or any combination thereof, that such oleomargarine or margarine is a dairy product, except that nothing contained herein shall prevent a truthful, accurate, and full statement in any such advertisement of all the ingredients contained in such oleomargarine or margarine.”

(b) Such section 15 is further amended by adding at the end thereof the following new subsection:

“(f) For the purposes of this section and section 407 of the Federal Food, Drug, and Cosmetic Act, as amended, the term ‘oleomargarine’ or ‘margarine’ includes—

“(1) all substances, mixtures, and compounds known as oleomargarine or margarine;

“(2) all substances, mixtures, and compounds which have a consistency similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter.”

(c) Subsection (1) of section 5 of the Federal Trade Commission Act is amended by adding at the end thereof the following new sentence: “Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Commission each day of continuance of such failure or neglect shall be deemed a separate offense.”

SEC. 5. So much of the unexpended balances of appropriations, allocations, or other funds (including funds available for the fiscal year ending June 30, 1950) for the use of the Bureau of Internal Revenue of the Treasury Department in the exercise of functions under the Oleomargarine Tax Act (26 U. S. C. 2300 subchapter A), as the Director of the Bureau of the Budget may determine, shall be transferred to the Federal Security Agency (Food and Drug Administration) for use in the enforcement of this Act.

SEC. 6. Nothing in this Act shall be construed as authorizing the possession, sale, or serving of colored oleomargarine or colored margarine in any State or Territory in contravention of the laws of such State or Territory.

SEC. 7. This Act shall become effective on July 1, 1950.

Approved March 16, 1950.

